



PITTI ENGINEERING LIMITED

Annual Report 2023-24

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Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forwardlooking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forwardlooking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-lookingstatements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

The single-minded determination to innovate and deliver engineering excellence for now and the future drives us forward at Pitti Engineering.

On the back of a strong Indian demand and resilient export market, we have achieved new milestones of growth and profitability in FY24, driven by rising domestic and export revenue.

We believe that our focus on producing margin accretive value-added products has led to our transition from being an electrical lamination-led business to a multi-product offering company.

We intend to further leverage our engineering expertise, machining capabilities, fabrication and casting experience to expand our business into the manufacture of complex and critical machined components. This pathway is both margin accretive and value additive, to a diversified range of end user industries.

Even after decades of operations, we feel this is just the beginning for us and there many more milestones to cross and expand to new horizons. With the right array of products and capabilities, we are engineering the future responsibly and sustainably.



Know more about us
www.pitti.in
 or scan the QR code

Board of Directors

Shri Sharad B Pitti

Founder & Chairman

Shri Sharad B Pitti, founder of the Company is a visionary leader who pioneered lamination manufacturing in India. He has remained integral to the growth and success of the Company.

Shri Akshay S Pitti

Managing Director & Chief Executive Officer

Shri Akshay S Pitti, started his entrepreneurial journey at an early age. With his extensive experience of serving in different roles within the organisation, he has gathered the expertise to efficiently lead the Company.

Ms. Gayathri Ramachandran

Non-Executive Independent Director

Ms. Gayathri Ramachandran, IAS (Retd.), has held prominent positions in the Ministries of Power, Petroleum, Chemical & Fertilisers and Civil Aviation. She has also served as a Special Chief Secretary to the Government of Andhra Pradesh. She is the Chairperson of the Company's Stakeholders Relationship Committee.

Shri G Vijaya Kumar

Non-Executive Independent Director

Shri G Vijaya Kumar is a practicing Advocate at the High Court of Telangana and has also served as a Government Pleader for revenue for the United State of Andhra Pradesh. He is the Chairman of the Company's Risk Management Committee.

Shri Y B Sahgal

Non-Executive Independent Director (w.e.f 9th November 2023)

Shri Y B Sahgal is a Mechanical Engineer with over 4 decades of industry experience. He has served in middle and top management at Sahney Steels and Techno Electricals, a unit of Vijay Electricals. He has in the past worked in various capacities in the Company and retired as Executive Director of the Company in 2016.

Shri N Vinod Kumar

Non-Executive Independent Director (w.e.f 14th August 2024)

Shri N Vinod Kumar is a fellow member of the Institute of Chartered Accountants of India. He has over 3 decades of experience in Central Public Sector Undertakings. He stated his career in 1977 as a Junior officer in Western Coal fields, He worked in various capacities in National Mineral Development Corporation Limited, Electronics Corporation of India Ltd, Praga Tools Ltd and Bharat Dynamics Limited.

Ms. Kemisha Soni

Non-Executive Independent Director (w.e.f 14th August 2024)

Ms. Kemisha Soni, is a Chartered Accountant with over 2 decades of experience in Accounting, Audit and Taxation services. Ms. Kemisha is the Managing partner of GDK & Associates, Chartered Accountants. She is experienced in the field of auditing, primarily in statutory, tax and forensic auditing. She is also experienced in risk management audit, internal audit and management audit.

Ms. Priti Paras Savla

Non-Executive Independent Director (w.e.f 14th August 2024)

Ms. Priti Paras Savla, is a fellow member of the Institute of Chartered Accountants of India and partner in K P B & Associates. She has over 2 decades of experience in areas of strategic planning, business advisory, corporate governance, ESG advisory, CSR & impact assessment, audit and risk mitigation.

Shri M Gopalakrishna

Non-Executive Independent Director

Shri M Gopalakrishna is a retired IAS officer who has held senior posts in the Government of Assam, Andhra Pradesh and Government of India. He also served in the Central & State level public sector undertakings and retired as Chairman and Managing Director of Rural Electrification Corporation. He has over five decades of Administrative and Managerial experience. He is the Chairman of the Company's Nomination and Remuneration Committee.

Shri N R Ganti

Non-Executive Independent Director

Shri N R Ganti is a postgraduate in Business Administration and has rich experience in the field of finance and management. He had started his career in the field of banking with the State Bank of India and later took up management consultancy services.

Shri S Thiagarajan

Non-Executive Independent Director

Shri S Thiagarajan is a Chartered Accountant with vast experience in financial management and accounting roles. He was the Director (Finance) of NMDC and also served as a Board Member of various associates of NMDC. He is the Chairman of the Company's Audit Committee.

About Pitti

Accelerating growth through integrated excellence

We are engineering excellence with a long-standing experience of over three decades. We commenced our operations in 1987 as a manufacturer of electrical laminations for applications used in a wide array of electrical equipment.

Over the decades, capitalising on market opportunities and addressing various customer requirements, we have gradually diversified and revamped our engineering capabilities and processes. This resulted in the addition of castings, core buildings, shaft manufacturing, assembly, air gap turning, laser cutting, spot and special welding, heat treatment, machining, tool manufacturing, fabrication and so on.

We are further ramping up our capabilities to manufacture and supply a wide range of products, high value-added assembly components, and ready to wind assemblies used in rotating equipment for use in diverse industries.

The assimilation of such manufacturing capabilities resulted in the development of an integrated end-to-end supply chain for our customers in the rotating electrical equipment vertical. We further leveraged our engineering expertise and machining capabilities to expand into the manufacturing of complex and critical machined components, comprising machining, fabrication and shafts, and also undertake specialised processing like heat treatment, painting and coating.

This expertise enables us to cater to requirements of precision engineering and machining in diverse industries, including Railway, metro, mining, renewable energy to name a few



Vision

Simplifying Engineering Supply Chain



Mission

- To enhance capabilities with cutting edge technology
- To integrate multiple engineering processes
- To contract customer supply chain
- To provide uniquely integrated component

Pitti in the spotlight

The **Largest** Manufacturer and exporter of electrical laminations in India

Preeminent manufacturer of machined castings and fabricated components

A leading supplier of complicated sub assemblies for motors and generators

₹ 2,452.47 crore Market capitalisation (as on 31st March 2024)

IND A/ Stable Credit rating

Wide Array of Offerings

Delivering innovative, high-quality solutions

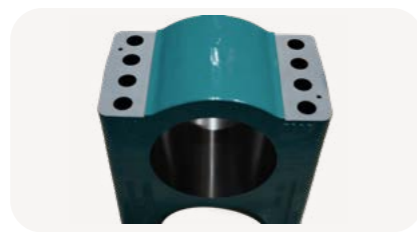
We offer a broad spectrum of products across our rotating electrical equipment and machined component divisions, catering to a wide array of industries. Our innovation ensures superior efficiency and lower costs. At Pitti Engineering, we are committed to delivering innovative & high-quality solutions that improve reliability, resilience and economics of our customers' supply chains.

Machined Components

Through our engineering proficiency and robust machining capabilities, we have diversified into manufacturing complex and critical machined components. This includes machined fabricated parts and forged shafts, along with specialised processing and precision machining and grinding tailored to meet the exacting requirements of industries including mining, renewable energy, and automotive.



Armature Shaft



Wind Mill Pedestal



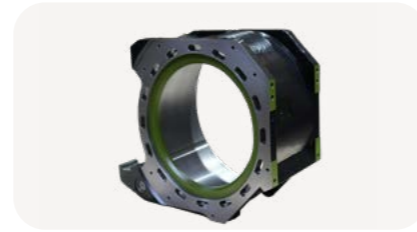
Rear Wheel for Mining



Canon Tube



High Speed Planatory Gear Shaft



Stator Frames



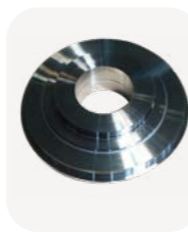
Gear Case



Axle Box



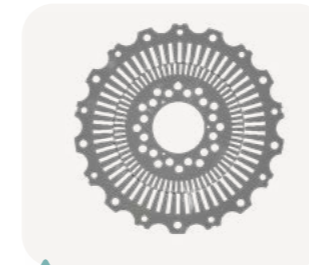
Centre Plot



Flywheel Flange

Rotating Electrical Equipment

Our enhanced processes now encompass machined castings, core assembly, shaft manufacturing, assembly, turning and grinding, laser cutting, cleat forming, welding (including spot and special welding), heat treatment, machining, tooling, and fabrication. These advancements enable us to produce and deliver a broad range of high-value components and assemblies for rotating electrical equipment catering to various industries.



Loose Laminations



Stator Glued Lamination



Pole Laminations and Pole Shoe Assembly



Shaft inserted Aluminum Die Cast Rotor



Copper Built up Rotor with Shaft inserted



Ready To Wind Shaft Inserted Rotor (generators for data center)



Stator Integrated Frame (Traction motor)



Assembled Stator Core



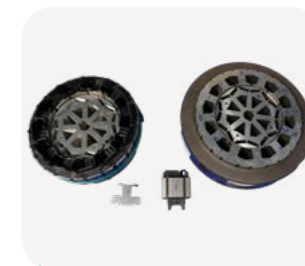
Stator with Frame Integrated (Traction Alternator)



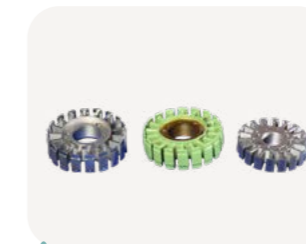
RTU Stator



Stator and Rotor Core (Fan)



Assembled Stator and Rotor Pack (EV application)



Powder coated Assembled Core (Magneto Pack)

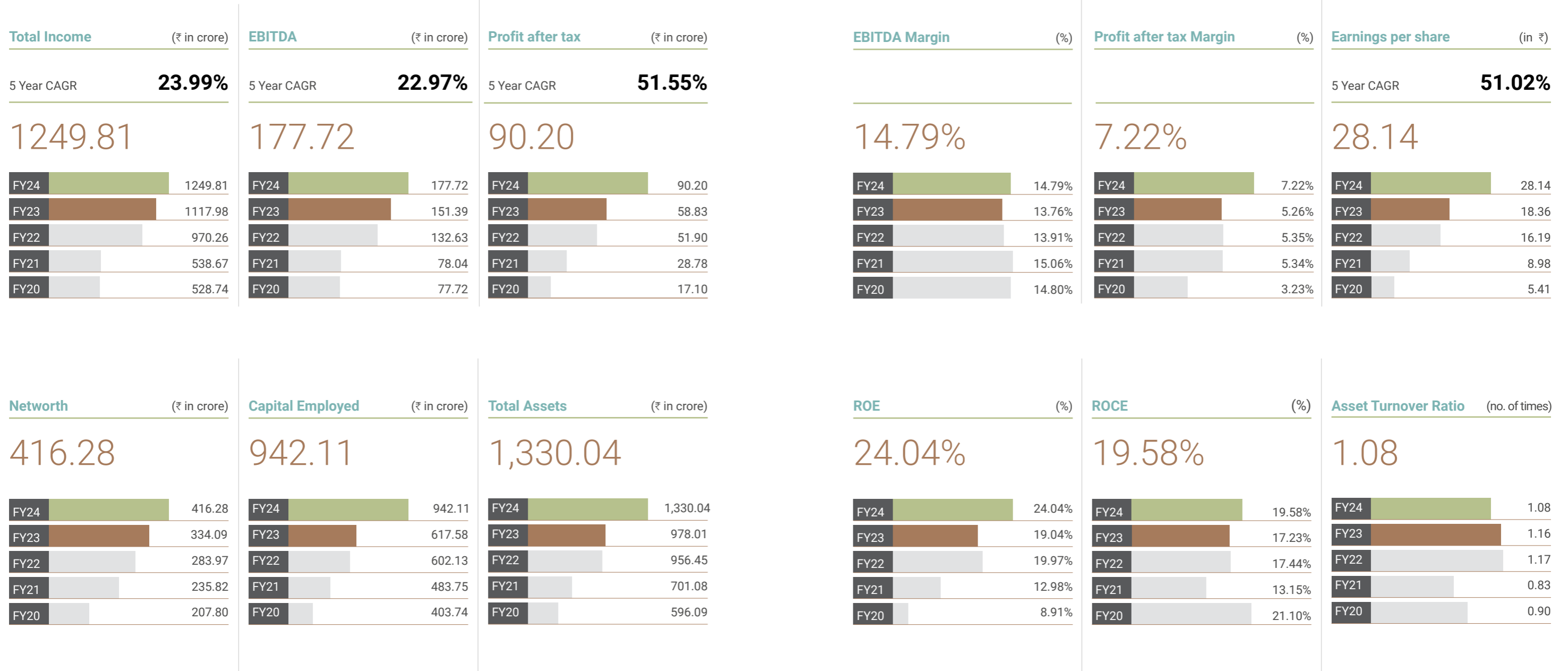


Traction Motor Frame

Financial Performance

Creating sustainable value through integrated excellence

Our strategic approach to expanding capacity and diversifying our offerings has been pivotal to achieving significant financial growth. The launch of value-added products has also helped bolster our sales volumes and in turn revenue and profitability.



Accelerating growth inorganically

We recently acquired Bagadia Chaitra Industries Private Limited, which specialises in the manufacture of electrical steel laminations, their assemblies and die cast rotors, operating primarily in South India. It operates two manufacturing facilities in Tumkur, Karnataka.

This acquisition enhances our presence in South India and contributes to our overall asset base and production capacity.

Components & assemblies for rotating electrical equipment
(in MT)

16,000

Installed Capacity

13,493

Production

84.33%

Capacity Utilisation (%)



Management's Message



Powered by vertically integrated manufacturing, a portfolio of products catering to diverse end-user industries, steady cashflow, strong relationships with clients and business partners, we have delivered an impressive 3-year Compounded Annual Growth Rate (CAGR) across various financial and operational metrics.

Dear Shareholders,

At the outset, we would like to thank all of you, our valued customers and stakeholders, for your continued support. Before we dive into our performance for the fiscal year, it is worthwhile to first consider the macro-economic landscape in the year gone by.

The global operating environment continued to be uncertain during the year, with sticky inflation and persistent geopolitical conflicts. However, the global economy has been surprisingly resilient, despite major Central Banks increasing interest rates to curb inflationary pressure. India continued to be a bright spot on the global economic landscape, registering 8.2% growth in real terms and the Central Government reduced the fiscal deficit by a considerable margin.

According to the Economic Survey for 2023-24, the Indian economy has broadly caught up with pre-COVID growth trends and is likely to grow by 6.5% to 7% in 2024, with prospects of registering 7%-plus growth in the coming years.

For us, consistently adapting to customer needs, creating niches and accelerating growth have always been part of our DNA. We will continue to embrace this philosophy as we go forward. We focused on making margin-accretive value-added products. This has led us to transition from being a lamination-led company to a multi-product offering business. Powered by vertically integrated manufacturing, a portfolio of products catering to diverse end-user industries, steady cashflow, strong relationships with clients and business partners, we have delivered an impressive 3-year Compounded Annual Growth Rate (CAGR) across various financial and operational metrics.

Despite transient challenges in FY24, we at Pitti Engineering are jubilant to have crossed new milestones. We also registered significant growth in sales volumes, EBITDA and net profit. Our sales volume for the year surged by 16.55% to 42,305 metric tonnes, total revenue grew by 11.79%, reaching ₹ 1,249.81 crore, EBITDA rose by 17.39% to ₹ 177.72 crore, net profit increased by 53.32%, to ₹ 90.20 crore and cash accruals improved by 39.38% to ₹ 144.22 crore. Our blended EBITDA per metric tonne stands at ₹ 42,008 per metric ton. During the year, we incurred a capex of ₹ 209.37 crore.

Moving on to our operational highlights, during the year gone by, we developed major value-added products for our global clientele. We successfully delivered fully finished stator frames along with lamination cores, ready for winding into traction motors, for prestigious customers. By integrating casting, forging and lamination facilities, we created value-added products that enabled our customers to optimise their ground-level manufacturing activities through enhanced cost efficiency.

In alignment with the government's 'Make in India' strategy, we contributed to the ramping up of Vande Bharat trains by developing value-added products for a total of 18 projects.

On the global front, we delivered critical components, including wheel hubs, support seals and more, for overseas OHV mining customers. These products required the integration of technical expertise in areas like critical fabrication, forging, heat treatment, machining and so on, made possible through the strength of our business model and organisational competencies.

Further, we assisted the Indian railways by enhancing the supply of 6FRA products to traction motor manufacturers.

We have significantly bolstered the wind power generation sector by providing comprehensive support for projects up to 5 MW, supplying top-tier products to renowned international clients.

Additionally, we developed and supplied critical parts for electrolyzers used in green hydrogen production to one of our overseas customer.

By consistently supplying fully finished stator assembly cores, duly machined and ready for winding (RFW), for mini hydro plants, we contributed to a clean and renewable energy source globally.

Last but not least, we developed products for marine applications, such as electric power propulsion systems, which replace thermal combustion engines and help reduce global warming.

Going forward, we anticipate continued growth in the demand for our products and services. In line with this, we have acquired Bagadia Chaitra Industries Private Limited and are in the process of commissioning expanded capacities in the Aurangabad facility. These initiatives will increase our consolidated capacity from 56,000 TPA to 90,000 TPA, further strengthening our position as India's largest manufacturer of laminations. Additionally, this acquisition provides us with a strategically important manufacturing base in Bengaluru. With its proximity to other large consumption centres such as Coimbatore, Chennai and Hubli, it significantly improves customer serviceability in these regions.

We are particularly optimistic about the growth prospects of our machined component vertical. The input materials required for this are high-quality castings and customers impose stringent clauses on the sourcing of such castings. To facilitate the same and eliminate as many related-party transactions as possible, we decided to merge the promoter-owned casting business, Pitti Castings Private Limited, with Pitti Engineering Limited. This merged entity will bring in marquee clients as well as boost the development of machined castings for existing clients.

Upon the commissioning of new capacity at the Aurangabad facility, we will begin decommissioning the lamination capacity in Hyderabad. The vacated space will be repurposed to house increased machining capacity. We also have plans to reorganise our consolidated business to derive material synergies and reduce logistics costs.

We are committed to making our operations cleaner and greener. As part of this endeavour, we have undertaken a plantation project which will be spread across eight acres of land for planting ~36,500 trees at our manufacturing facilities. We are also working to substantially raise the contribution of renewable energy to our fuel mix as an endeavour for transition to net zero in the future years.

We are confident that these initiatives will pave the way for sustained success, driving impressive growth in both sales and profits and ultimately benefiting all our valued customers and stakeholders.

Warm Regards

Sharad B Pitti
Founder & Chairman

Akshay S Pitti
Managing Director & CEO

Excellence Has No Borders



We have widespread global presence and are committed to augment our brand visibility through significant investments, while upholding the highest quality standards for our products. Additionally we intend to drive export demand by focusing on expanding our product offerings and valued added parts.

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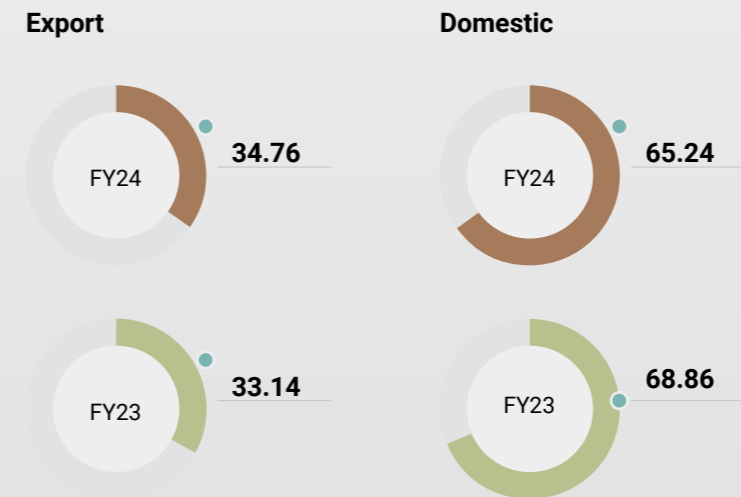
Export countries across 6 continents

Revenue generated* (₹ in crore)

Export		Domestic	
434.47		815.34	
FY24	434.47	FY24	815.34
FY23	370.51	FY23	747.48

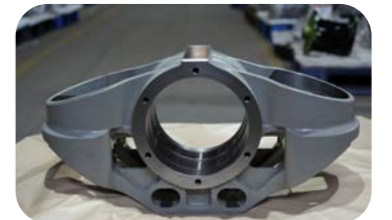
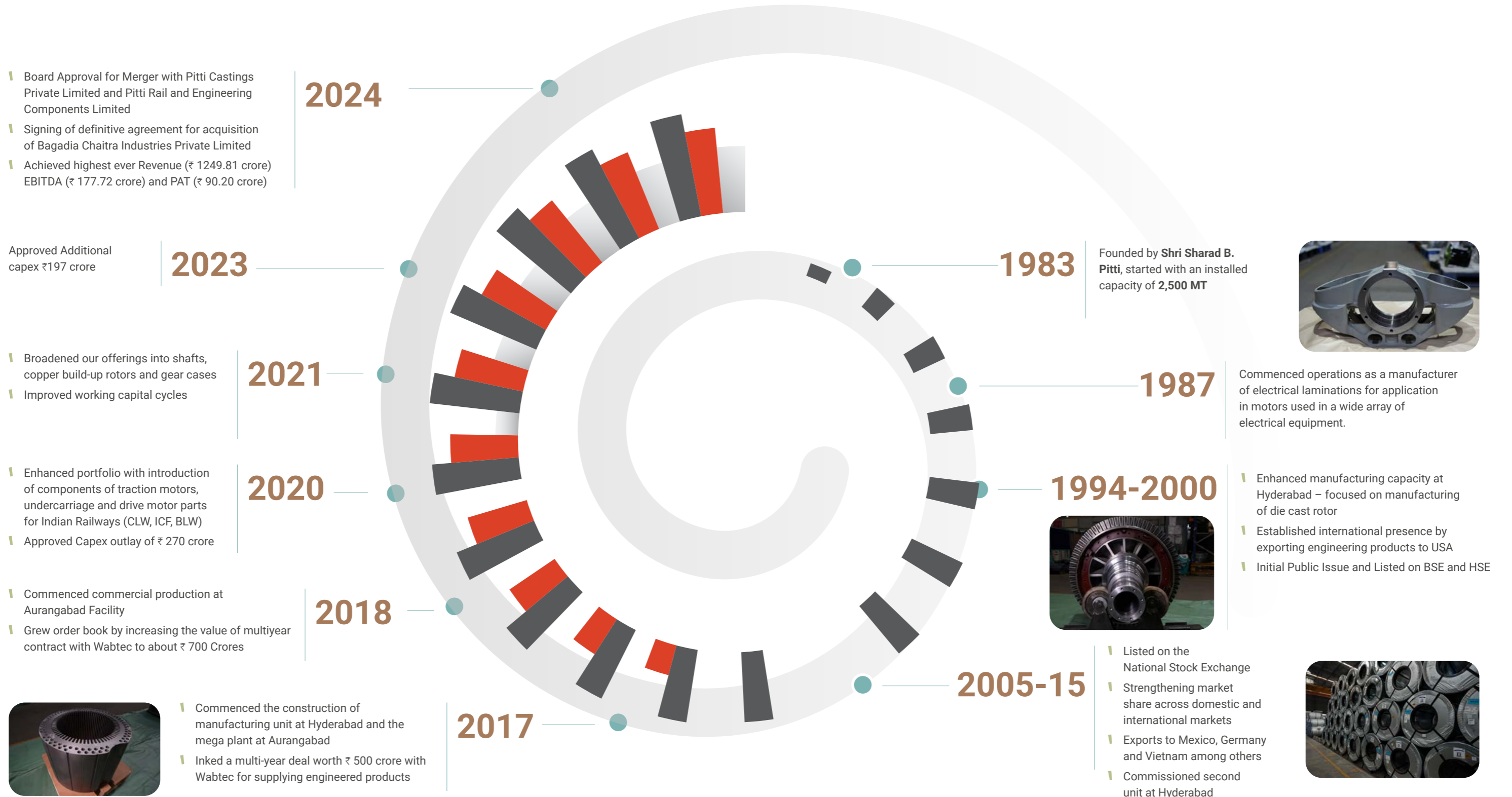
* Includes other income

Percentage share of revenue * (%)



Engineering the Future with Decades of Excellence

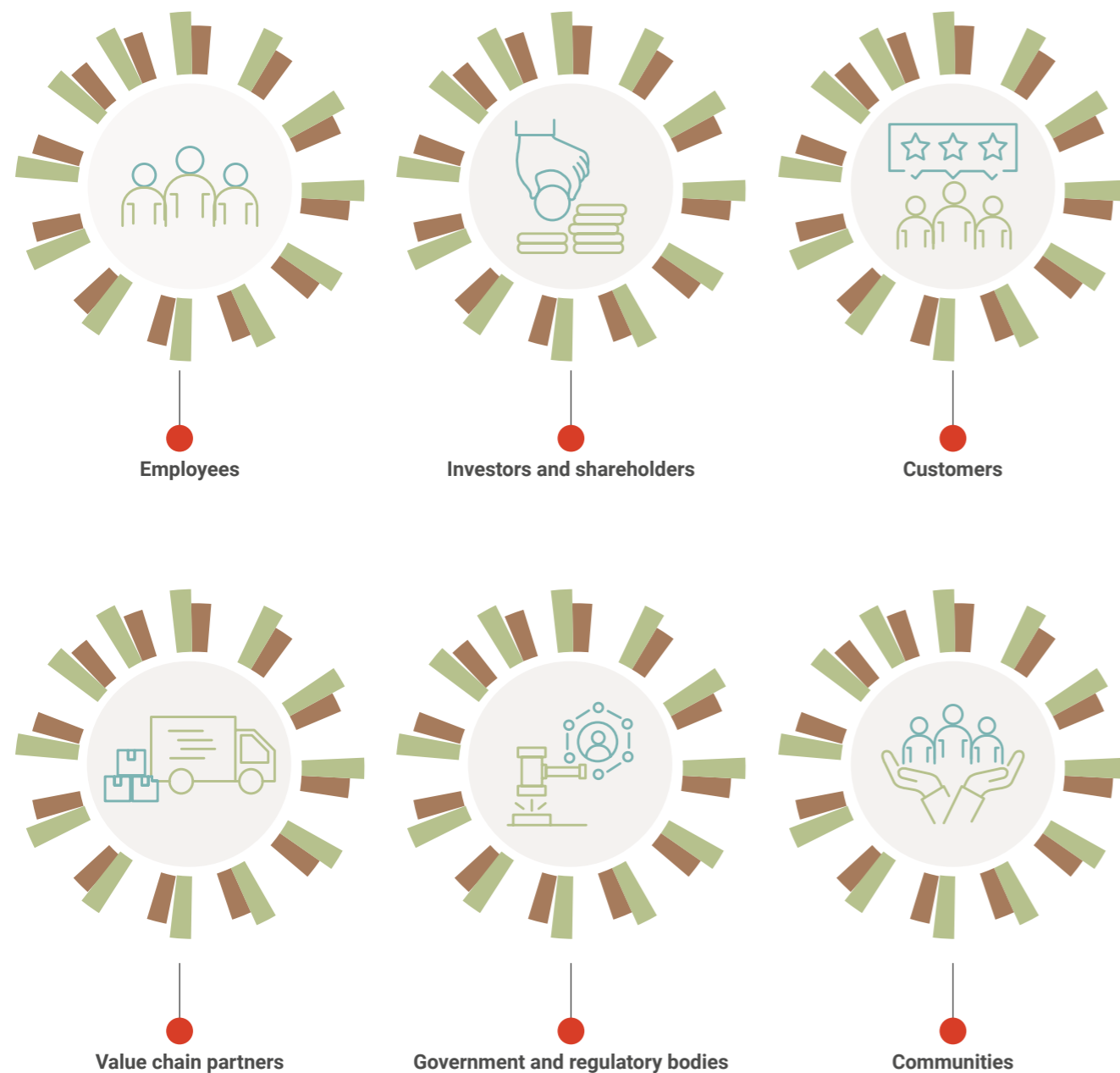
With decades of extensive expertise, we specialise in manufacturing a diverse range of products. Our dedicated team consistently set new industry benchmarks through integrated operations.



Engineering the Future with Key Stakeholders

Through collaborative engagement with stakeholders, we accomplish our strategic imperatives, enhancing trust and bolstering our brand reputation. Our commitment is to serve as a trusted partner to stakeholders and generate sustainable value for all.

Our key stakeholders

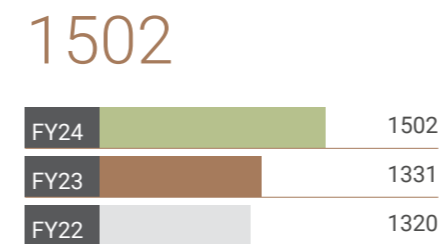


Employees

Co-creating value

- Inclusive work environment
- Safety at work
- Career growth and development
- Fair remuneration and incentive
- Diversity and inclusivity

Number of Employees

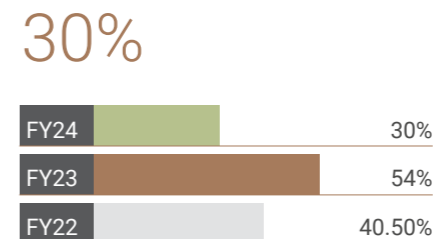


Investors and Shareholders

Co-creating value

- Ensuring sustained profitability.
- Effectively managing costs to improve efficiency.
- Increasing value creation by maintaining consistent dividend payments

Dividend to shareholders (%)

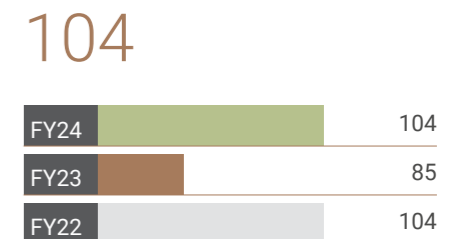


Customers

Co-creating value

- Diverse product range
- Competitive pricing
- Maintaining highest standard through efficient quality management

Number of Customers

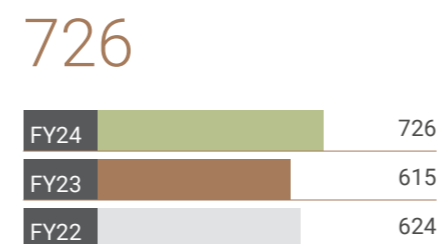


Value chain partners

Co-creating value

- Maintaining long-term relationship
- Transparency in operations with timely payments
- Support through regular surveys and follow-ups

Value chain partners



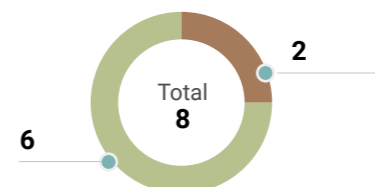
Government and regulatory bodies

Co-creating value

- Ensuring compliance with regulatory guidelines
- Transparent disclosures
- Robust governance structure

Composition of directors (%)

- Non-executive directors
- Independent directors

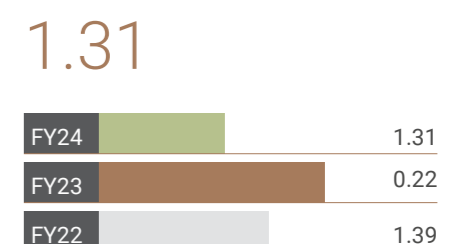


Communities

Co-creating value

- Health Care
- Education
- Protection of national heritage
- Animal Welfare
- Sports

Amount spent (₹ in crore)



Operating Landscape

Seizing opportunities to expedite future growth

India on track for future-ready railway system

The Government of India is revolutionising India's railway infrastructure with projects such as expanding high-speed trains, redevelopment of stations and setting ambitious targets for freight transportation modal share.

The Government has outlined a visionary roadmap for India's infrastructure growth, particularly focusing on the transformation of the Indian Railways over the next five years. The roadmap includes operationalising 4,500 Vande Bharat trains by 2047 and introducing 50 Amrit Bharat trains in the 2024-25 fiscal year to enhance passenger experience. The plans also include manufacturing 1,000 new trains, which are capable of 250 kmph and implementing a ₹ 4.2 lakh crore, 10-year scheme for multi-tracking on high-density lines to alleviate congestion.

Our response

Our primary focus has consistently been on the railway sector. We have diversified our product range to encompass a comprehensive supply of locomotives for this industry. Our objective is to substantially enhance our revenue contribution from Indian railways



Dynamic transformation in mining industry

The global mining industry is undergoing a dynamic transformation, playing a pivotal role in driving sustainable growth and technological advancement. As mining companies innovate and adapt, they are not only supplying essential resources for infrastructure and consumer needs but also significantly advancing a low-carbon future. This commitment to cutting-edge technologies, sustainable practices and strategic reforms is positioning the mining industry as a cornerstone of modern progress and a key driver of a resilient, prosperous global economy.

Our response

Our comprehensive engineering and product development capabilities enable us to create complex, safety-critical, and high-precision products in the mining industry. This expertise allows us to explore new application segments, attract a diverse range of customers, and strengthen our market position.



Surge in renewable energy adoption

As India increases its renewable energy capacity, particularly in solar, hydro and wind, there is a rising demand for high-performance motors used in energy generation and storage solutions. This shift supports national goals to significantly reduce carbon emissions and encourages the development of new motor technologies designed for renewable energy applications.

Our response

We have designed and manufactured precision-machined components specifically for hydrogen electrolyzers. These components play a crucial role in the renewable energy sector, as hydrogen electrolyzers are key to producing green hydrogen. Our advancements in these components support the efficiency and reliability of hydrogen production systems, thereby contributing significantly to the broader goals of sustainable and renewable energy development.



Growing demand for data centres

In the digital era, India's telecommunications sector is essential for communication, data transmission, and emerging technologies such as 5G. Growth in this sector is fuelled by rising data centre projects, telecom expansion and infrastructure development. Data centres need a reliable power supply, boosting demand for diesel generators (DG sets). Similarly, the rapid expansion of telecom networks across the country increases the need for DG sets to ensure continuous connectivity.

Our response

We produce assembled stators that are integrated with landing bars and fully prepared rotors with shafts for data centres. These components are designed for easy integration and efficient performance, ensuring a reliable and continuous power supply. Our stators and rotors are carefully engineered to meet the high demands of data centre operations, contributing to their seamless functionality and operational stability.



Delivering engineering excellence across geographies and accelerating organic and inorganic growth for the future.



Operations

Taking a closer look at our integrated operations

Our production facilities, supported by advanced technology, are strategically positioned near both our customers and raw material suppliers, facilitating cost efficiencies and enhancing productivity. Our manufacturing facilities are equipped with best-in-class automation and equipment, enabling economies of scale.

Components & assemblies for rotating electrical equipment
(in MT)

56,000
Installed Capacity



72.95%
Capacity Utilisation (%)



Machined Components
(No. of hours)

4,60,800
Installed Capacity



90.47%
Capacity Utilisation (%)



Hyderabad, Telengana



Aurangabad, Maharashtra



We have vertically integrated our operations, encompassing tooling to laminations and their assemblies, as well as machined casting, fabrication, and value-added processes. This integration enables us to provide a comprehensive solution in the rotating equipment sector. Our emphasis on creating profitable value-added products has driven our transformation from an electrical lamination-focused business to a diversified company with a multi-product portfolio.



Highlights from our manufacturing facilities



Machining capacity

We are enhancing our machining capabilities by increasing the use of 4 & 5 Axis CNC machines for precision machining of products. The existing fleet of machines is operating at optimum capacity, and additional machines are being acquired to meet rising demand.

Lamination operation

With the positive growth forecast of electrical lamination in India, we aim to expand our market share. This involves additional processing, such as assembling partial products that were previously delivered in parts. We are also considering redesigning the operational layout to optimise facility utilisation, including the relocation of lamination operations to Aurangabad. This move is expected to streamline product movement and reduce delivery timelines.



Distinguished Clients

Addressing the needs of diverse industries

We have fortified our standing as the preferred partner for our clientele through our innovation, steadfast dedication to regulatory compliance and exemplary quality standards.

At Pitti, we strategically align our resources to address the evolving requirements of our customers. Our manufacturing portfolio spans a broad spectrum of products, encompassing electrical steel laminations, diverse sub-assemblies for motors and generators, as well as the production of castings, shafts, and fabricated components tailored for various end applications.



Industries we cater to:



Quality

Raising the bar of excellence every day

Our manufacturing operations, spanning tooling, laminations, assemblies, castings, fabrication, and machining are centrally managed through integrated SAP software, a unified Quality Management System (QMS). This coordination allows us to specialise in manufacturing high-margin and value-added machined products.

We have attained quality accreditations for our integrated management systems, highlighting our proficiency in process design and automation. We are committed to delivering high-quality products through our advanced and integrated manufacturing operations. This approach allows us to develop tailored solutions that meet our customers' evolving requirements.

Our facilities meet international standards



ISO 9001:2015

For quality management system



ISO 14001:2015

For environmental management



ISO 3834-2

For welding products



IATF 16949:2016

International Automotive Task Force certification for Automobile products



EN 15085

For welding of railway vehicles and components



TPG certification

Transportation power generation certification

- Welding – SAW, SMAW, GMAW, GTAW

- Castings NDT – UT, MPI, RT

Awards and Accolades



Innovation and Integrated Manufacturing Set Up from Cummins Generator 2023



Outstanding Performance on New Development & Business Support from ELIN WG 2023



Certificate of Appreciation from Cummins Generator 2024



Certificate of Appreciation from ABB for quality of service



Supplier Cost Reduction Ideas 2023 from Wabtec Corporation



Certificate of Appreciation from Nidec 2023



Management Discussion and Analysis



Economic overview

Global Economy¹

In CY 2023, the global economy demonstrated significant resilience, growing at 3.2%, despite grappling with persistent geopolitical turmoil and rising inflation. The year under review was marked with uncertainties as geopolitical challenges disrupted global energy and food markets, leading to volatility in commodity prices. To anchor inflation, central banks worldwide resorted to calibrated interest rate hikes. While these measures impacted global growth, it was also successful in avoiding recession.

In the United States, robust consumer and government spending, coupled with a rebound in international trade, propelled the economy to achieve a growth rate of 2.5%. Conversely, the European Union experienced moderate growth, with internal policies and external geopolitical risks hindering its economic pace.

On the other hand, emerging markets and developing economies (EMDEs) demonstrated significant growth buoyed by diverse economic strategies and foreign investment. However, China, roiled by real estate sector issues and subdued consumer confidence, recorded a sluggish 5.2% growth. Demographic and debt challenges further strained the China's economy.

A strong labour market, strong corporate balance sheets and strategic fiscal policies have played an instrumental role in driving the growth of the global economy. In addition to this, effective monetary policies resulted in inflation declining faster-than-expected in most regions.

Outlook

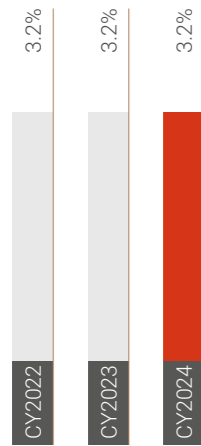
Looking ahead, the global economy is projected to sustain its growth at 3.2% in CY 2024. On the other hand, inflation is expected to decline from 6.8% in CY 2023 to 5.9% in CY 2024, further to 4.5% in CY 2025. It is anticipated that inflation will decline faster in the advanced economies as compared to EMDEs, supported by declining impact of previous energy price shocks and effective monetary policies.²

With inflation reaching its target levels, major central banks are aiming to strategically ease monetary policies. This hopes to be a relief for the markets and aims to facilitate a stable transition towards sustained growth without inducing financial instability.

¹<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

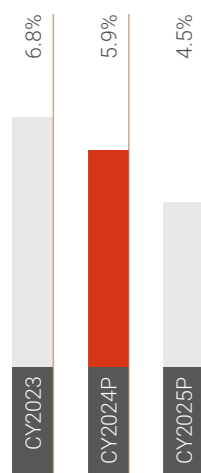
²<https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>

Global GDP growth rate (in %)



[Source: IMF World Economic Outlook, April 2024]

Global headline inflation forecast (in %)



[Source: IMF World Economic Outlook, April 2024]

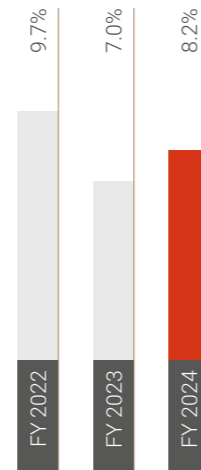
Indian Economy

India has sustained its growth trajectory by achieving a growth rate of 7% or higher for three consecutive years, emerging as one of the world's fastest-growing major economy. In FY 2023-24, India achieved a notable GDP growth rate of 8.2%, supported by a recovery in consumer demand and business activities.³ The Government's focus on public capital expenditure (capex) bolstered industrial activities, attracting private investments and improving economic activities nationwide.

Additionally, the Reserve Bank of India (RBI) played an instrumental role in driving the growth of the Indian economy. Effective fiscal management and strategic monetary policies have been able to anchor inflation, contributing to the economic growth of the country. These policies augmented consumer confidence and safeguarded the economy from the global headwinds. Further, the robust domestic demand, driven largely by private consumption and strong performances in services and manufacturing sectors, has enabled the Indian

economy to sustain its positive growth trajectory in the year under review. High-frequency economic indicators such as credit growth, GST collections and a robust consistently strong manufacturing PMI above 50 points reflect a dynamic economic environment poised for continued growth and stability.

India GDP growth rate (in %)



[Source: PIB Press Release, May 2024]

Outlook

Looking forward, India is expected to maintain its growth in the upcoming fiscal year, supported by stable domestic demand and private investments. Moreover, with the improvement of global economic conditions and developed nations adopting more accommodative monetary policies, it is anticipated to stimulate private investments and enhance India's exports. A growing young workforce and the implementation of strategic fiscal policies are positioning India on a sustainable path of growth and development.

The Government's enhanced focus on sustainability, robust manufacturing sector, ongoing structural reforms and growing middle economic and young population are driving the growth of the Indian economy. The Government of India is undertaking relentless initiatives to improve infrastructure and connectivity, augment scalability and promote digital economy. India is aiming to accelerate its transition to green energy and adopt economic policies that foster inclusive social development. With the country's optimistic growth outlook, India is well-positioned to overtake Germany and Japan and become the third largest economy globally before 2030.

Industry overview

Rotating Electrical Equipment Industry

The rotating electrical equipment industry, encompassing motors, generators and their components, has shown consistent growth due to increasing demand from various sectors such as power generation, industrial automation and transportation. With increasing emphasis on energy efficiency, coupled with

stringent government regulations and rising awareness about sustainability, the demand for high-efficiency motors and generators have increased exponentially. Notably, the adoption of IE3 and IE4 efficiency class motors is particularly observed in developed markets.

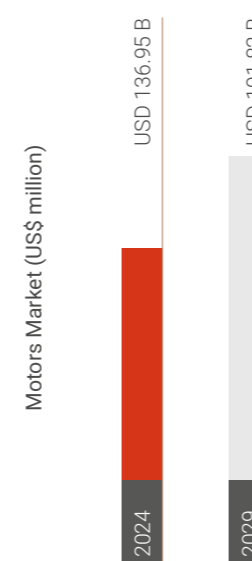
The ongoing trend of Industry 4.0 and smart manufacturing has surged the demand for advanced motors. These motors have integrated sensors and connectivity features to ensure better monitoring and control. There is also a growing trend towards customised and modular motor designs to meet specific industry requirements and further improve flexibility. This customisation is particularly evident in industries such as data centres, mining and specialised manufacturing.

Major segments within this industry

Motors Market

The global electric motors market is undergoing substantial growth, driven by technological advancements, increased industrial automation and a heightened focus on energy efficiency. In 2024, the market was valued at USD 136.95 billion and is projected to reach USD 191.82 billion by 2029, growing at a compound annual growth rate (CAGR) of 6.97%. The demand for motors is propelled by their critical role in energy conversion, making them indispensable in both industrial and consumer applications.

CAGR (CY 2024- 2029): 6.97%



[Source: Mordor Intelligence]



Low Voltage (LV) Motors

Operating at up to 1000 volts, these motors are widely used in commercial and light industrial applications.



Medium Voltage (MV) Motors

Operating between 1001 to 10,000 volts, these motors are used in industries requiring greater power output.



High Voltage (HV) Motors

Operating above 10,000 volts, HV motors are used in heavy industrial operations.

With governments and regulatory bodies worldwide implementing stringent energy consumption standards, the need to innovate and produce highly efficient motors has increased than ever. In addition to this, rapid industrialisation and urbanisation in regions, especially in the Asia-Pacific, are driving the demand for motors. Furthermore, with the paradigm shift towards sustainable practices, a growth in renewable energy installations has been observed, particularly for wind and solar power. This has further propelled the growth of the motors market as high-performance motors are required for energy generation and distribution systems.

Additionally, the shift towards electrification in the automotive industry has been instrumental in driving the growth of the motors market, as electric vehicles (EVs) require efficient and reliable motors. Owing to increased focus on infrastructure development, especially in China and India, the regions are emerging as a promising market for motors. North America and Europe are also showing robust growth, primarily supported by advancements in automotive technologies and growing renewable energy sector.

Generators Market

Also known as the alternator market, the global generators market is crucial for power generation across various industries. In 2023, the market was valued at USD 18.4 billion and is expected to grow to USD 28 billion by 2032, exhibiting a growth rate (CAGR) of 4.6% during 2024-2032. The demand for generators is driven by the need for reliable power supply and the integration of renewable energy sources as well as increased focus on infrastructure development.⁴

³<https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2022323>

⁴<https://www.imarcgroup.com/alternator-market>

In addition to this, generators are required to provide grid stability and the backup power to integrate renewable energy sources into the grid. Technological advancements in generator design are improving efficiency, reducing emissions and enhancing overall performance.

The generator market observed significant growth in developing regions, particularly in Asia-Pacific and Africa, supported by the growing mining and oil & gas sectors, which require reliable power sources in remote locations.

Diesel Generators (DG) Set market in India

The Indian Diesel Generators (DG) set market is a critical component of the country's power infrastructure, ensuring reliable and uninterrupted power supply across various industries. The market can be segmented, based on power output, into Low Horsepower (LHP, 5-75 kVA), Medium Horsepower (MHP, 82.5-400 kVA) and High Horsepower (HHP, 500 kVA and above).

A significant development in the DG market has been the transition to Central Pollution Control Board (CPCB) IV+ emission standards in July 2023. This transition aligns India's emission standards with European and American economies, mandating a 90% reduction in particulate matter and nitrogen oxide concentrations in generator exhaust. The growth of the DG market is significantly influenced by various end-user industries. Moving forward, this trend is expected to continue, driven by factors such as the surge in data centre projects, telecom sector growth, infrastructure development and various government initiatives.

The market is expected to grow from USD 1.10 billion in 2023 to USD 1.42 billion by 2028, registering a CAGR of 5.20% during the forecast period (2023-2028).⁵

Alternator market for Steam Turbine

Steam Turbine plays a vital role in power generation across various industries, including utility power plants (coal and nuclear), captive power plants and renewable energy power plants. These turbines are extensively used in captive power plants across multiple industries such as steel, cement, sugar,

chemicals and paper. In captive power plants, steam turbines up to 30 MW capacity account for 97% of the volume, while on the utility side, the bulk of the demand is for turbines greater than 500 MW, primarily 660 MW and 800 MW units.

Alternator market for Hydro Turbine

Hydro Turbine encompasses small hydro power (SHP) projects up to 25 MW capacity, large hydro projects of greater than 25 MW capacity and pumped hydro storage projects. Hydroelectric power projects with an aggregate capacity of 15 GW are currently under construction in India. It is anticipated that the hydro capacity will increase from 42 GW to 67 GW by FY2032. Additionally, with pumped storage projects (PSPs) gaining importance for providing grid stability and balancing power, PSP capacity will increase from 4.7 GW to around 55 GW by FY2032.⁶

Alternator market for Wind Power

India's wind energy sector is at the cusp of rapid expansion, driven by recent market dynamics and government initiatives. Initiatives such as carve-outs for Wind Renewable Purchase Obligations (RPOs), revamped auction mechanisms and exclusive tenders for wind projects have proven beneficial for the wind energy sector.

The country currently ranks fourth globally in terms of installed wind energy capacity. Furthermore, the Indian government is promoting wind power projects nationwide by attracting private sector investments through various fiscal and financial incentives. These include accelerated depreciation benefits and concessional customs duty exemptions on specific wind turbine components.

The Indian wind turbine market is expected to continue its upward trajectory, with a projected capacity of 5,000 MW and 2,000 turbines by FY2029.⁷

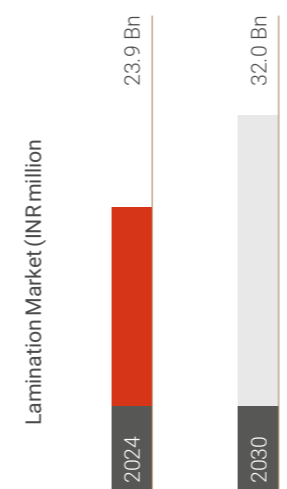
Electrical Laminations Market

The electrical laminations market plays a crucial role as a key component and input market serving the broader

rotating electrical equipment industry. Electrical laminations are essential components used in motors, generators and transformers, playing a critical role in the efficient functioning of these devices by minimising energy losses. The Indian electrical laminations market is poised for substantial growth, driven by favourable government policies, the development of electric vehicles (EVs), increased demand from the power sector and the Government's focus on infrastructure development.

The market size of motor laminations is estimated to be USD 23.9 billion in 2024 and is expected to grow at a compound annual growth rate of 4.9% during 2024-2030, reaching USD 32.0 billion by 2030.⁸ India's aim to reduce CO2 emissions has increased the demand for electric vehicles and hybrid electric vehicles (HEVs). As electrical laminations are crucial in the traction motors of HEVs, it is expected to boost the market for electrical laminations, owing to government incentives and favourable policies.

Motor Lamination CAGR : 4.9%



[Source: P & S Intelligence]

The power sector is a major driver of the electrical laminations market. As India aims to meet its ambitious renewable energy targets, there is a growing need for efficient and reliable motors and generators. This will also significantly boost the demand for electrical laminations. In addition to this, with the expansion of the railway network and metro systems, it will require more trains and metros equipped with highly efficient motors, further propelling the growth of electrical laminations market.

The 'Make in India' and 'Atmanirbhar Bharat' initiatives are also expected to drive the growth of the electrical laminations market, boosting indigenous manufacturing by promoting the development and use of advanced motors and associated technologies. As India is heavily dependent on imports from China and Europe, it results in longer lead times, higher costs and potential supply chain disruptions. With the focus on domestic manufacturing, it is anticipated to reduce reliance and mitigate the problems effectively.

Machined Components Industry

The machined components industry in India is a critical segment of the manufacturing sector, contributing significantly to the country's industrial output and economic growth. Machined components are precision-engineered parts that are essential for various applications across multiple industries. These components are manufactured through highly advanced and skilled labour-required processes such as milling, turning, drilling and grinding.

The market is driven by several factors, including the increasing demand for sophisticated, precise and dimensionally accurate products, the robust growth of the infrastructure sector and the growing emphasis on automation and technological advancements in manufacturing processes



⁵<https://www.mordorintelligence.com/industry-reports/india-diesel-generator-market>

⁶<https://pib.gov.in/PressReleaseframePage.aspx?PRID=2017271>

⁷<https://gwec.net/wp-content/uploads/2023/08/GWEC-India-Outlook-Aug-2023-1.pdf>



⁸<https://www.psmarketresearch.com/market-analysis/motor-lamination-market-report>

The off-highway vehicles and construction equipment segment is one of the major contributors to the demand for machined components. Off-highway vehicles require numerous machined casted components such as counterweights, brackets, brake calipers, covers, port blocks, spider planetary covers and trumpets. On the other hand, the growth of international trade and the increased demand of material handling equipment at ports also contribute to the surge in requirement for machined components in this segment.

India has the fourth largest railway system in the world; with the Government focusing on expanding and modernising the railway network to change urban transportation, it is driving the demand for machined components. High-speed rail projects and metro rail networks require a variety of machined casted components, including draft gear bodies, wedge cones, ribbed plates, narrow jaw adapters and axle end caps.

Another important contributor, the windmills segment is also expected to see significant growth. The Government's ambitious renewable energy targets are driving the demand for machined casted products such as traverse top casts, traverse bottom casts, front bracket structures, support brackets, crosses, actuator housings and more.

The industrial segment encompasses pumps, general engineering and industrial machinery. Growth in this segment is driven by the increasing focus on energy-efficient products in the water and wastewater industry, rapid urbanisation and the expansion of infrastructure projects. Automation in the general engineering sector and industrial machinery manufacturing is also boosting the demand for machined-casted components.

Sugar Industry⁹

The sugar industry is a major agro-based sector in India, contributing significantly to the rural economy. According to recent reports, sugar production is projected to reach 32.0 million metric tonnes (MT) in the 2023-2024 season, slightly down from 34.0 million MT in the previous season. This reduction is attributed to the slower closure of mills in key producing states like Maharashtra and Karnataka. The domestic consumption is projected at 28.5 million MT, leading to an expected closing stock of approximately 9.1 million MT by September 30, 2024. This stock level is significantly higher than the 5.6 million MT recorded at the end of the previous year and equates to about 3.8 months of consumption.

A major trend in the industry is the increasing diversion of sugarcane towards ethanol production, driven by government policies aimed at achieving a 20% ethanol blending target. For the Ethanol Supply Year (ESY) 2024, India achieved a blending ratio of 11.96% by March-end. The government has allowed ethanol production

from 6.7 lakh MT of B-heavy molasses to support this target. The contribution from grain-based distilleries has also been significant, although challenges remain regarding feedstock availability and infrastructure development to support higher blending levels.

The revenues of integrated sugar mills are likely to expand by 10% in FY 2025, supported by an expected increase in sales volumes along with firm domestic sugar prices and higher distillery volumes after the operationalisation of new capacities. The operating profit margins of the sugar mills are projected to remain comfortable in FY 2025, in line with FY 2024, due to firm sugar realisations and higher cane prices. The outlook for the sugar sector is stable, backed by anticipated improvements in revenues, stable profitability and comfortable debt coverage metrics, along with government policy support, including the ethanol blending program (EBP).

Steel, Cement & Construction Industry

India's Steel, Cement, and Construction industries are interconnected pillars of the nation's economic growth, driving the demand for infrastructure and urban development. The steel industry, for instance, saw a significant rise in crude steel production, reaching 144.043 million tonnes in FY 2023-24, a 13.2% increase from the previous year. This growth is largely attributed to robust demand from the construction and automotive sectors, alongside increased government spending on infrastructure projects. Finished steel production, including alloy and non-alloy steel, also saw a notable increase of 12.7%, reaching 138.825 million tonnes, while steel consumption surged by 13.6% to 136.250 million tonnes.¹⁰

The cement industry, closely tied to construction, also witnessed substantial growth, driven by increased urbanisation and infrastructure projects. In FY 2023-24, cement volumes increased by 9% year-on-year to 426 million MT. Projections indicate further growth of 8-9%, with volumes likely reaching 460-465 million MT by FY 2025, supported by demand from urban housing and infrastructure sectors. The government's focus on enhancing multimodal connectivity through initiatives like the PM Gati Shakti - National Master Plan is expected to boost cement demand significantly, further fuelling the construction sector.¹¹

The construction industry, which now contributes 9% to India's overall GDP and employs over 51 million people, is on a rapid growth trajectory.¹² In FY 2023-24, it became the sixth-largest recipient of Foreign Direct Investments (FDI), further bolstering the sector. The overall construction value in India is projected to reach USD 1.4 trillion by 2025, making it one of the largest construction markets globally.¹³ This growth is driven by government spending on infrastructure and a recovery in private investment, with key projects under the National Infrastructure Pipeline (NIP) and the Pradhan Mantri Awas Yojana (PMAY) for affordable housing playing a crucial role. The expansion

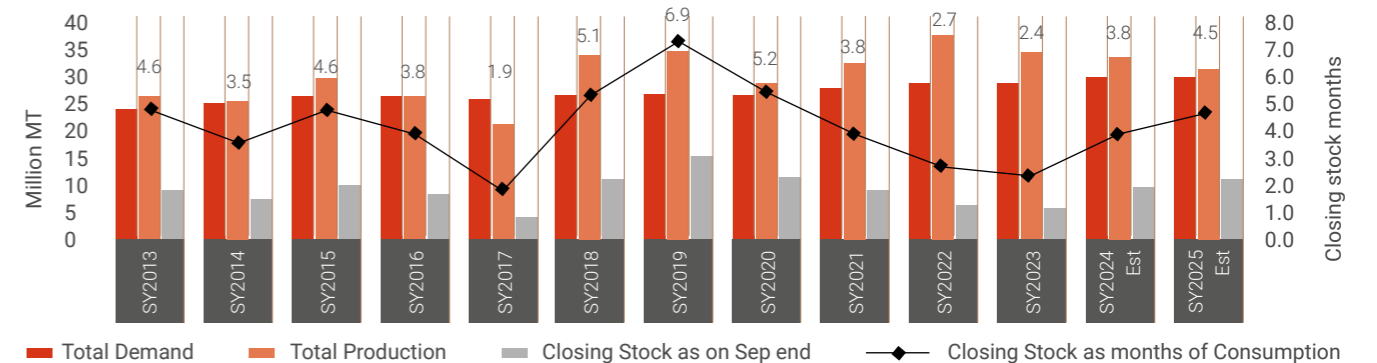
of transport networks and urban infrastructure is expected to drive continued demand for construction materials, particularly steel and cement, underscoring the synergistic growth of these industries.

Pumps market

The pump segment in India is a crucial component of various industries, including agriculture, water and wastewater management, oil and gas and power generation. The market

has shown robust growth due to increasing industrialisation, urbanisation and government initiatives aimed at improving infrastructure and agricultural productivity. The Indian pump market was valued at USD 1.9 billion in 2023 and is expected to reach USD 2.8 billion by 2032, exhibiting a compound annual growth rate (CAGR) of 4.5% during 2024-2032.¹⁴ Key drivers include the demand for agricultural irrigation, water management and industrial applications, supported by technological advancements and energy-efficient solutions.

Yearly trends in sugar production, consumption and closing stock



[Source: ISMA, ICRA Research; SY: Sugar year (from October 01 to September 30)]

The agricultural sector remains a significant market for pumps, driven by government subsidies and investments in irrigation projects. The increasing focus on water conservation and wastewater management has also led to a rise in demand for energy-efficient pumps. Additionally, the industrial sector's growth, particularly in chemicals, metals, oil and gas and power generation, continues to boost the demand for industrial pumps. The introduction of intelligent pump systems and the growing adoption of solar-powered pumps further create lucrative opportunities for manufacturers, positioning the Indian pump segment for sustained growth.

End-User Industries

Renewable Energy

The renewable energy sector is a pivotal end-user industry for the rotating electrical equipment and machined components markets. In India, the renewable energy sector is experiencing robust growth, supported by favourable government policies, technological advancements and increasing investments in infrastructure.

The country aims to achieve 500 GW of renewable energy capacity by 2030, fulfilling at least half of its energy requirements through renewable sources. This commitment is part of a broader strategy to reduce CO2 emissions by 1 billion tons by 2030, lower carbon intensity below 45% and ultimately achieve Net-Zero emissions by 2070. These targets are driving substantial demand for rotating electrical equipment, such as motors, generators and transformers, as well as machined components.¹⁵

Wind Energy

The wind energy segment is a major contributor to India's renewable energy capacity. India has a robust domestic industry that supports sector expansion. Favourable governmental initiatives, such as accelerated depreciation benefits, concessional customs duty exemptions and the Generation Based Incentive (GBI) Scheme, have attracted significant private sector investment.

Despite a slowdown in recent years, the Indian government has undertaken several initiatives to revamp the wind energy sector. These steps are expected to drive at least 30 GW of offshore wind capacity additions by 2030.¹⁶ This is expected to increase the demand for machined casted products such as traverse top casts, traverse bottom casts, front bracket structures, support brackets, crosses and actuator housings is expected to rise significantly.

Solar Energy

Solar energy is another critical component of India's renewable energy strategy. The country has made substantial investments in solar power projects, supported by decreasing cost of solar technology and supportive government policies. With the expansion of solar power installations, it is increasing the demand of high-performance motors and generators for energy generation and distribution. Further to this, it has also surged the demand for electrical laminations and machined components as these are essential for the efficient operation of solar power systems.

⁹<https://www.icra.in/CommonService/OpenMediaS3?Key=afcf95be-d33d-43f0-9859-5e486b0a61cc>

¹⁰<https://www.jpcindiansteel.nic.in/writereaddata/files/Trend%20Report%20April%202024.pdf>

¹¹<https://www.icra.in/Rating/DownloadResearchSummaryReport?id=5719>

¹²<https://www.investindia.gov.in/sector/construction>

¹³<https://media.biltra.com/indias-construction-industry-in-fy-2023-24-a-zone-wise-analysis-part-1-of-7/#:~:text=According%20to%20reports%2C%20India's%20overall,2024%20total%20USD%2033.91%20billion.>

¹⁴<https://www.imarcgroup.com/india-water-pumps-market>

¹⁵<https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1961797>

¹⁶<https://jmkresearch.com/can-india-achieve-30-gw-offshore-wind-capacity-target-by-2030/>

Power Generation

India's power generation market is characterised by a diverse mix of energy sources, including thermal, hydro, nuclear and renewable energy. The country's installed power generation capacity stood at approximately 428 GW as of 2023, with thermal power contributing the largest share.¹⁷ With the Government aiming to achieve 500 GW of renewable energy capacity by 2030, it is accelerating the growth of the power generation sector.

Thermal Power

Thermal power remains the backbone of India's power generation sector, includes coal, gas and oil-based power plants, with coal being the dominant source. The Indian government has planned approximately 93 GW of thermal capacity additions by FY2032 to meet the growing energy demand. This includes 26 GW of thermal capacity currently under construction, 12 GW that has been bid out and 19 GW under clearance.¹⁸ The expansion of thermal power plants drives the demand for rotating electrical equipment as well as machined components used in turbines and other critical machinery.

Renewable Energy Integration

The integration of renewable energy sources is a key focus area for India's power generation sector. The Government's commitment to reducing carbon emissions and promoting sustainable energy solutions has led to significant investments in renewable energy projects. The development of wind and solar power plants requires advanced rotating electrical equipment, including high-performance motors and generators, to efficiently convert and distribute energy. Furthermore, electrical laminations and machined components play a crucial role in enhancing the efficiency and reliability of these systems. This is expected to surge the demand of rotating electrical equipment and electrical laminations.

Hydro and Pumped Storage Projects

Hydroelectric power is another vital component of India's power generation mix. The country has a substantial hydroelectric capacity, with several large and small hydro projects under development. The development of pumped storage projects (PSPs) is gaining importance for providing grid stability and balancing power. PSPs offer greater inertia and balancing capabilities, making them essential for integrating renewable energy into the grid.

The hydro turbine market in India is expected to grow significantly, with Hydro capacity expected to rise by more than 50%, from 42 GW to 67 GW by 2031-2032. This growth will drive demand for alternators and other components used in hydroelectric power generation.¹⁹

Nuclear Power

Nuclear power also contributes to India's power generation capacity, with 23 operational nuclear reactors and additional reactors under construction. The expansion of nuclear power plants necessitates the use of highly reliable and efficient rotating electrical equipment and machined components to ensure safe and continuous power generation. With the Government aiming to increase nuclear capacity, it is expected to drive the demand for these critical components.

Railways and Transportation

India has the fourth largest railway system in the world. The railway sector aims to contribute about 1.5% of GDP by building infrastructure to support 45% of the modal freight share of the economy.²⁰ The Government is focusing on high-speed rails to accelerate economic growth, following the mantra of providing competitive rates, resulting in new traffic on the railways. The rapid urbanisation and growing population in India necessitate the expansion of railway networks and the addition of more passenger trains to meet increasing travel requirements.

Trains consist of numerous machined casted components for their operations, such as draft gear bodies, wedge cones, ribbed plates, narrow jaw adapters and axle end caps. As the Indian railway sector is expanding, it is driving the demand for these machined casted components.

In addition to conventional railways, India's metro rail sector is one of the fastest-growing sectors in the world. The development of India's metro rail system is fundamentally changing the country's urban transportation landscape. The Government's aim to build world-class infrastructure in India includes metro rail networks. Therefore, the metro rail segment is poised for expansion supported by effective governmental policies and robust public demand.

This growth is attributed to several factors:

Government initiatives: The Indian government has launched various programmes to modernise and expand the railway network, including the development of high-speed rail corridors and the expansion of metro systems in major cities.

Technological advancements: The adoption of new technologies in the railway sector, such as electric and hybrid locomotives, requires advanced components and systems, driving demand for high-quality machined parts and electrical equipment.

Urban mobility needs: The rapid urbanisation in India has led to increased demand for efficient public transportation systems, particularly in metropolitan areas, fuelling the growth of metro rail projects.

Focus on energy efficiency: There is a growing emphasis on energy-efficient and environmentally friendly transportation solutions, driving the demand for advanced electrical systems and components in the railway sector.

Make in India initiative: The government's push for local manufacturing under the 'Make in India' programme is encouraging domestic production of railway components and systems, creating opportunities for local manufacturers.

The railways and transportation sector's growth is also reflected in the demand for specific products. For instance, traction motors, which are crucial components in electric locomotives and metro trains, require high-quality electrical laminations and machined components. Similarly, the development of high-speed rail projects such as the Vande Bharat Express has further increased the need for precision-engineered parts and advanced electrical systems.

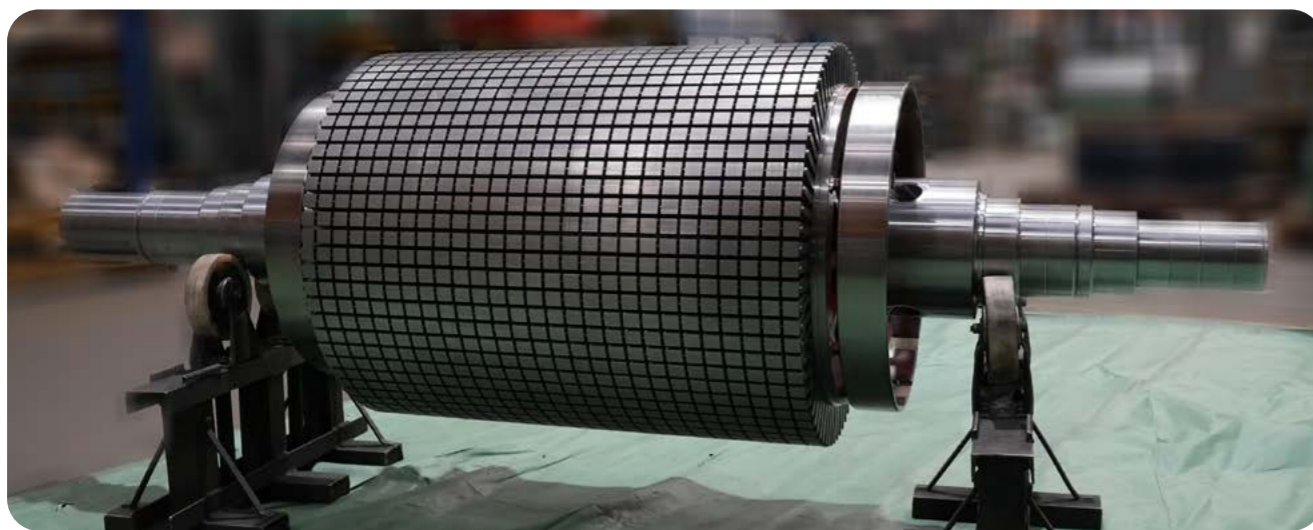
The sector's expansion is not limited to passenger transportation. The freight segment of Indian Railways is also undergoing significant modernisation, with a focus on increasing capacity and efficiency. This transformation requires upgraded rolling stock and infrastructure, further increasing the demand for machined components and electrical equipment.

Industrial and Automation

India's industrial and automation market encompasses a wide range of applications across sectors such as manufacturing, oil and gas, chemicals, food and beverage, water and wastewater, power generation and mining. The demand for rotating electrical equipment as well as machined components is driven by the need for reliable and efficient machinery to power essential processes such as pumping, mixing, handling and processing materials.

The manufacturing sector in India is a significant driver of demand for industrial and automation equipment. With the Government of India aiming to develop India as a preferred manufacturing hub for the other economies, it has increased the demand for advanced machinery and automation solutions.

In addition to this, the Production Linked Incentive (PLI) scheme, implemented in 2020, has further stimulated manufacturing by offering incentives for increased production, leading to a higher demand for precision-engineered components and high-efficiency motors. The adoption of smart manufacturing practices, including automation and robotics, is transforming the industrial landscape, driving the demand for sophisticated machined components and high-performance electrical equipment.



¹⁷ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2003930>

¹⁸ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2003930>

¹⁹ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2017271>

²⁰ <https://www.investindia.gov.in/sector/railways>

Automotive and Electric Vehicles

In the automotive sector, motors are integral to a wide array of applications, including thermal management systems, powertrain components, active safety features, power steering systems, seat positioning mechanisms, tensioning devices in seat belts, window regulators, actuation systems in door locks and windshield wiper systems. These crucial components enhance passenger comfort, safety and the overall driving experience. With the automotive industry shifting towards more fuel-efficient and environmentally friendly vehicles, it is increasing the demand for motors.

The electric vehicle segment, in particular, is experiencing rapid growth and is a key driver for the motors market. Approximately 14 million EVs were sold globally in 2023, comprising both battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs).²¹ In EVs, motors are not only employed for propulsion but also in various auxiliary systems that enhance vehicle performance and improve passenger comfort. The propulsion motors convert electrical energy into mechanical energy, providing the driving force behind the vehicle. Additionally, smaller motors are used extensively across a range of applications, including power steering, HVAC systems and power windows, as well as in innovative technologies such as regenerative braking systems, to help in increasing vehicle's range by converting kinetic energy back into stored electrical energy.

Owing to favourable government policies, the Indian EV market is poised for significant growth. Initiatives such as FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) and subsidies for electric two-wheelers and three-wheelers are boosting the adoption of EVs.

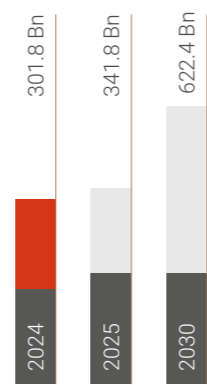
With initiatives such as 'Make in India', it is providing a lucrative opportunity for domestic motor manufacturers to innovate and scale up production. This development is further supported by investments from major automotive players and new startups entering the electric mobility space.

Data Centres

The Indian data centre industry is experiencing rapid growth, driven by increasing digitalisation, cloud adoption and the Government's focus on digital infrastructure development. Additionally, growing internet user base, increased data consumption and the proliferation of digital services are further propelling the industry.

The Indian data centre market is expected to grow significantly in the coming years. According to industry reports, the market size is projected to reach USD 622.4 billion by 2030, growing at a CAGR of about 10.1% during CY 2024 and CY 2030.²² This growth is anticipated to be driven by increasing adoption of cloud services, implementation of data localisation policies and effective governmental initiatives to promote digital infrastructure.

Data Center Market Size CAGR 10.1%



Market Size in USD

Source: P & A Intelligence

[Source: PS Market Research Report]

The demand for motors in data centres is primarily driven by the need for efficient cooling systems. As data centres consume significant amounts of energy and generate substantial heat, cooling systems are crucial for maintaining optimal operating conditions for servers and other equipment. Motors are used in various cooling applications, such as in computer room air conditioning (CRAC) units, chillers and cooling towers. With the growing focus on energy efficiency, it is leading to the adoption of more advanced and efficient motor technologies.

Furthermore, generators play a vital role in ensuring uninterrupted power supply to data centers. They serve as backup power sources during grid failures or maintenance periods, preventing costly downtime and data loss. As data centers enhance their capacities, it is surging the demand for larger and more sophisticated generator systems. This provides a substantial opportunity for manufacturers of high-capacity generators and associated components to capitalise on the growth prospects.

Mining

India produces a diverse range of minerals, including coal, iron ore, bauxite, limestone and various other metallic and non-metallic minerals. Owing to increased demand in domestic and international markets, the Indian mining sector is at the cusp of transformation.

High-capacity motors are used in heavy machinery such as excavators, conveyors and crushers, which are critical for efficient mining operations. Generators provide backup power to ensure uninterrupted operations, while transformers are used to regulate voltage levels for different mining equipment. On the other hand, machined components are integral to the mining industry. Components such as gearboxes, shafts, bearings and housings are essential for the smooth operation of mining equipment.

The Indian government's focus on infrastructure projects is driving the demand for minerals. This, in turn, boosts the demand for mining equipment and machined components. Favourable government policies, such as the introduction of the National Mineral Policy and various incentives for mining activities, are encouraging investment in the mining sector. These policies aim to increase mineral production and ensure sustainable mining practices, further driving the demand for mining equipment.

Opportunities and Challenges



Opportunities

Renewable Energy Expansion: The growing awareness and the paradigm shift towards renewable energy sources presents a lucrative opportunity for manufacturers of motors, generators, transformers and machined components. With the aim to achieve 500GW of renewable energy installed capacity by 2030, an increased demand for the use of advanced motors and generators is being observed. This is creating a robust market for electrical laminations and machined parts.

Hybrid & Electric Vehicles (EV): The rapid adoption of electric vehicles (EVs) globally and in India is a critical driver for the rotating electrical equipment market. Motors are essential for EV propulsion and auxiliary systems, while electrical laminations are crucial for high-speed electric motors and high-frequency transformers. This presents a significant growth opportunity for companies involved in the production of these components, as the demand for efficient and high-performance electrical equipment increases with the expansion of the EV market.

Infrastructure Development: The Government of India has embarked on an ambitious journey to revolutionise the country's infrastructure landscape. This has proven beneficial for the rotating electrical equipment and machined components. Government's initiatives, such as the Smart Cities Mission and the National Infrastructure Pipeline (NIP), are expected to create significant opportunities for manufacturers to supply advanced electrical systems and precision-engineered parts.

Industrial Automation: The increasing adoption of automation and smart manufacturing practices in various industries has increased the demand for high-efficiency motors and advanced machined components.

Data Centers: The rapid growth of the data centre industry in India, driven by digitalisation, cloud adoption and government initiatives, presents a significant opportunity for manufacturers of motors, generators and electrical laminations.

Mining Sector: The demand for durable and high-performance equipment in harsh mining environments has surged the requirement for advanced electrical systems and precision-engineered parts.

Agricultural Demand for Pumps: The agricultural pump segment in India presents a significant growth opportunity, driven by increasing demand for irrigation solutions and government initiatives like the PM-KUSUM scheme. This scheme aims to promote the use of solar pumps, offering financial support to farmers and enhancing agricultural productivity and sustainability.



Challenges

Supply Chain Disruptions: The dependence on imported raw materials and components, particularly from countries such as China and Europe, poses a risk of supply chain disruptions. Persistent geopolitical challenges, trade restrictions and logistical challenges can impact the availability and cost of critical inputs, affecting production schedules and profitability.

Technological Adaptation: The need to continuously innovate and adapt to new technologies, such as IoT, AI and advanced materials, requires significant investment in research and development. Companies must adopt advanced technologies to remain competitive; this can be extremely challenging, especially for smaller manufacturers with limited resources.

Cost Pressures: The market is highly competitive, coupled with the consistent need for cost-effective solutions. This puts pressure on manufacturers to optimise production processes and reduce costs without compromising on the quality.



²¹<https://www.iea.org/reports/global-ev-outlook-2024/trends-in-electric-cars>

²²<https://www.psmarketresearch.com/market-analysis/data-center-market>

Operational Highlights

In FY24, your company achieved significant milestones and demonstrated robust operational performance across its various business segments. The Company continued to expand its manufacturing capabilities, enhance its technological expertise and proactively adopt sustainability practices.

The Company made strategic investments in automation and robotics to improve operational efficiency and reduce human error. The integration of IT and SAP systems with shop floor activities enhanced supply chain visibility and predictive analytics. Furthermore, the Company continued to invest in the development of high-efficiency motors and generators, catering to the growing demand from the renewable energy, automotive and industrial automation sectors.

Financial Performance

(₹ in crore)

Particulars	FY 2023-24	FY 2022-23	Y-o-Y change
Revenue from operations	1201.60	1,100.17	9.22%
EBITDA	177.72	151.39	17.39%
PAT	90.20	58.83	53.32%

Key Ratios

Particulars	FY 2023-24	FY 2022-23	Y-o-Y change	Reasons for variance more than 25%
Inventory Turnover (No. of times)	4.72	4.30	9.77%	
Debtors Turnover (No. of times)	6.13	5.70	7.54%	
Interest Coverage Ratio (in times)	4.64	3.97	16.88%	
Current Ratio (in times)	1.25	1.20	4.17%	
Debt Equity Ratio (in times)	1.29	0.87	48.28%	Due to increase in term loans and working capital limits for expansion.
Operating Profit Margin (%)	14.79	13.76	7.48%	
Net Profit Margin (%)	7.51	5.35	2.16%	
Return on Equity (%)	24.04	19.04	5%	
Debt Service Coverage Ratio (in times)	2.01	2.90	(30.69)%	Due to increase in Term loans.
Trade Payables Turnover Ratio (in times)	3.85	3.40	13.24%	

Outlook

The company plans to enhance its operational footprint by consolidating its recently acquired subsidiary, Bagadia Chaitra Industries Private Limited, into a state-of-the-art facility in Bengaluru. This move not only aims to streamline operations but also to cater effectively to the growing demand in the South Indian market. The Company is exploring opportunities for vertically integrated facilities in key North and East Indian markets, which will facilitate efficient material flow and optimize resource utilization. By focusing on modular expansions and operational improvements, the company is set to unlock additional productivity and enhance profit margins, ensuring a solid foundation for future growth.

In addition to expanding its manufacturing capabilities, the Company is committed to leveraging technology and sustainable practices to drive operational efficiencies. The company is investing in advanced automation and digitalisation initiatives, including the integration of IT and SAP systems, to enhance process performance and reduce waste. These technological upgrades are expected to result in zero-defect products and improved supply chain visibility. By aligning its operations with sustainable practices and focusing on quality and efficiency, the Company aims to strengthen its market position and deliver long-term value to its stakeholders.

Risk management

The Company's Risk Management framework assists in identifying the risks and mitigating them through mitigation and responses.

Risk management at the Company is based on the following pillars:

1. Compliance Risk Management
2. Process Risk Management
3. Enterprise Risk Management (ERM)

Compliance risk management includes a mechanism of reporting and assurances with respect to adherence with laws and regulations prevailing in the country. Process risk management involves review of business related operational and financial processes and controls through a risk-control matrix. Identification and mitigation initiatives of other enterprise risks are overseen on a continuous basis by the Management and business teams.

The Company's ERM program has the following objectives:

- Proactively manage risks and drive timely mitigation.
- Optimize costs and the effort needed to manage risks.

- Build necessary resilience via crises management or business continuity plans.
- Improve compliance with good corporate governance guidelines and practices, as well as laws and regulations

The ERM program covers financial risks, commercial and operational risks, sectoral risks, sustainability and ESG risks, information and cybersecurity risks, crisis interruption and business continuity risks that can unfavourably impact the Company's objectives and goals. Significant process or compliance risks are escalated as enterprise level risks. Severity and frequency/likelihood have been defined, and a formal monitoring and governance structure has been set up.

The Company currently manages the following material risks:

COMMERCIAL RISKS

Growth risks:

The Company operates in an organically growing but niche segment. Therefore, there is always a risk of future costs and investments outpacing revenue growth opportunities. Delays in harnessing growth opportunities in modern tech-enabled businesses or regions can also impact the future growth prospects of the Company.

To secure its growth aspirations, the company has been meticulously focusing on meeting customer expectations, securing talent and the enabling infrastructure in a timely manner.

The Company is actively pursuing modern technology-enabled business opportunities in the Electric Vehicles and other sectors. Europe is increasingly emerging as a source of opportunity for the Company and the Company management, supported by the Commercial team constantly monitor the emerging landscape to capitalize on the opportunities and mitigate potential threats.

Customer concentration:

The Company's overdependence on a particular customer, user segment or region can pose a business risk in case the said customer undergoing a business crisis or preferring to shift to another supplier. In addition to focusing on long-term customer relations, the Company manages this risk by increasing its value proposition via forward and backward integration and by diversifying its geography and industry customer base.

Competition:

Many competitors vying for the same business may lead to revenue and margin erosion. The Company, through its successful pursuit of forward and backward integrations, has been able to insulate itself from standalone competitors across the highly staggered value chain and in the process develop stickiness with clients. This form of differentiation has been a constant endeavour to stay competitive both globally and in India.

OPERATIONAL RISKS

Geopolitical risks:

Multiple geopolitical risks events including the war in Ukraine and Middle East and the economic and political developments in the United States and China have been negatively impacting demand for several industries and increasing input costs. The company is constantly assessing these unfolding events and scenarios for any risk and potential opportunity to its business or supply chain.

HR and People risk:

Any erosion in commitment, competence, and compassion of employees towards the Company's stated vision of value creation can incapacitate the Company's abilities and reputation. While readily available skilled machine operators are a challenge, securing second-in-line for key roles is important to future growth. The company is invested in multiple development programs to upskill and re-skill people. In line with its vision and goals, the Company constantly endeavours to secure a skilled talent pool, impart the right technical trainings, and plan second-in-line for all critical roles.

Health and Safety risks:

Occupational hazards may endanger the safety of our employees and communities around our manufacturing locations. Increased automation with extra focus on workmen safety has helped manage and improve health and safety performance. Employees and workmen get training on a range of topics, including health and safety induction programme for workers and job-specific training on the use of PPEs.

INFORMATION AND CYBER-SECURITY

Digitisation, Information and Cybersecurity risks:

The Company has been embarking on digitization initiatives both on the office place & shop floor. Notable initiatives include extended use of cloud-based solutions for banking and other office applications, automation & robotics and IOT device connectivity in manufacturing plants, as well as increasing leverage of SAP systems. While these digitization initiatives favourably affect the achievement of desired efficiencies, they also bring with them potential risks if not correctly implemented. The Company is focused on regularly training its staff on the new IT protocols or controls to be followed, while parallelly implementing information and cybersecurity safeguards.

SECTORAL RISKS

Technology risks

Being in the business of engineered goods with a significantly higher level of customization, the Company's business is susceptible to technological/product process obsolescence.

The Company deploys a twin-pronged approach to stay ahead of the technological curve. First being steady addition of capacities and strategic investments that imbibes the best-in-class global technologies and processes available at that point in time. The second level of this approach is to undertake periodic modernization of its legacy facilities by way of maintenance capex.

Economic risks

The Company's business is in a capital-intensive sector that is inextricably linked with the overall economic, infrastructural, and industrial growth of the country/region. Geographic and customer segment diversification, including in the area of few non-capital goods continue to be key response strategies deployed by the Company.

FINANCIAL RISKS

Commodity and Forex volatility:

The recent geopolitical events have made both the foreign exchange, commodity, and input costs very volatile. The Company insulates itself against these risks through its agreements and contracts. Additionally, where possible, hedging strategies are deployed to manage open exposures from commodity price increases or foreign exchange volatility.

Liquidity risk

The Company's business is in a capital-intensive sector involving a longer cycle of product development that often includes proof of concept components as well. The Company maintains credit lines and seeks access to capital or debt in alignment with its business and growth aspirations. Besides striving to ensure a strong balance sheet, the Company always follows a prudent working capital management regime.

SUSTAINABILITY AND ESG

ESG Risks

While the Company operations do not pose a significant environment risk, the Company is mindful of reducing its carbon footprint in its inhouse operations through steady rationalization of energy and water consumption and continues to adhere to the principle of 4Rs (reduce, reuse, recycle and recover) along with investing in energy-efficient capital equipment. However, the Company carbon footprint allocation to upstream raw material and other products is likely to be significant.

Additionally, Europe starting Jan 1, 2026, may impose tariffs (via Carbon Border Adjustment Mechanism) on Company exports of its products to Europe. The Company is closely monitoring these developments so that it can determine the right strategy

to respond to any burden generated from upstream iron and steel manufacturing industries. Following-through on Environment, Social and Governance (ESG) commitments to regulators, customers and investors enables the Company to secure its reputation and future business opportunities.



CRISIS MANAGEMENT, BUSINESS INTERRUPTION AND BUSINESS CONTINUITY

In the past, the Company effectively managed the COVID-19 pandemic through a combination of careful planning and resilience. High severity and high velocity (High velocity risks have extremely low time to affect) risks and crisis events are factored for development of BCP or contingency plans.

Human resource

The Company acknowledges the importance of its workforce in maintaining competitiveness in the engineering sector. Pitti Engineering is committed to nurturing a supportive environment, offering structured career progression opportunities and comprehensive training programmes. The Company also ensures that the hardwork of each employee that contributes to the accomplishment of organisational goals is properly recognised.

The Company provides comprehensive health benefits and a holistic work environment that supports both personal and professional development. As of 31st March 2024, the Company supports a dedicated workforce of 1502 employees.

The Company fosters employee engagement by encouraging open communication, collaboration and participation in decision-making processes. Regular feedback mechanisms and team-building activities are implemented to ensure that employees feel valued and motivated, contributing to a positive workplace culture.

Internal control system and adequacy

The Company has a robust and effective internal control mechanism in place, one that is commensurate with the size, nature and complexities of its business. Internal control mechanism, which is benchmarked with evolving best

practices at regular intervals, ensures Company's adherences to all applicable regulations in letter and spirit. It also protects Company's various assets from unauthorised use while also ensuring accuracy of financial reporting.

The Company's robust Management Information System, spanning all critical functions, forms an important pivot of internal controls. The leadership team, including all the functional/ unit heads, serves as the first ring fence. Periodic internal audits and the second ring fence formed by an independent internal auditor, reviews control mechanism and its efficacy. The internal audit is entrusted to an independent Chartered Accountants firm, M/s. Laxminiwas & Co., Chartered Accountants.

The Audit Committee periodically reviews the efficacy of control mechanism, offering improvement suggestions, as and when required. Internal control on financial reporting is attested by the Company's statutory auditors.

Cautionary statement

Statements in this Management Discussion and Analysis report that describe the Company's objectives, projections, estimates, expectations, or predictions may constitute 'Forward-looking statements' within the meaning of the relevant laws and regulations. These statements are predicated on a number of expectations and assumptions about the future. Since the Company's operations are impacted by several internal and external factors outside of its control, actual results could significantly differ from those stated or inferred. The Company disclaims any obligation to update publicly any forward-looking statements in light of new information, future developments, or other factors. The risks listed here are not exhaustive, therefore readers are advised to be cautious. Readers are urged to use their best judgement when determining the risks connected to the Company.



Directors' Report

Dear Members,

Your Directors are pleased to present the 40th Annual Report on the business and operations of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March 2024.

Business Overview

Pitti Engineering Limited is engaged in the manufacture of engineering products of iron and steel including electrical steel laminations, sub-assemblies for motor & generator cores, die-cast rotors and machined casted & fabricated parts and shafts. The Company supplies a range of engineering products to vastly diversified segments like hydro and thermal generation, windmill, mining, cement, steel, sugar, construction, lift irrigation, freight rail, passenger rail, mass urban transport, E-mobility, appliances, medical equipment, oil & gas and several other Industrial applications. Our products finds a suitable application in almost all engineering application.

Financial Results

The standalone financial performance of your Company for the year ended 31st March 2024 is summarised below:

Particulars	₹ in lakhs	
	2023-24	2022-23
Net Revenue from Operations	1,20,159.64	1,10,017.15
Other Income	4,820.89	1,781.83
Total Income	1,24,980.53	1,11,798.98
Profit before Finance Costs, Depreciation, Amortisation and Tax	22,592.49	16,920.98
Less : Finance costs	4,999.29	4,465.78
Profit before Depreciation, Amortization and Tax	17,593.20	12,455.20
Less : Depreciation & Amortisation	5,401.91	4,464.97
Profit before Tax	12,191.29	7,990.23
Less : Tax expenses	3,171.54	2,106.95
Profit after Tax	9,019.75	5,883.28
Add : Other comprehensive income	(415.64)	(118.40)
Total comprehensive income for the year	8,604.11	5,764.88
Add : Surplus at the beginning of the year	22,948.81	17,937.11
Less : Dividend	384.60	753.18
Less : Transfer to General reserve	-	-
Surplus carried to Balance sheet	31,168.32	22,948.81

Operating Results and Business

India is presently the world's fifth-largest economy and is poised to become the fastest-growing G20 economy in 2024. Your company has strategically capitalised on this economic growth by applying its engineering and manufacturing expertise to create innovative products for a variety of industries. As a leading engineering firm, your company specialises in producing value-added and assembled components through advanced machining and lamination processes for both domestic and international markets. With robust order inflows, your company recorded 42,305 MT for FY 2024.

During the year your company reached significant milestones and demonstrated robust performance across its business segments. Key achievements included expanding manufacturing capabilities, enhancing technological expertise

and adopting sustainability practices. The total income for the financial year 2023- 24 was ₹ 1249.81 Crore as against ₹ 1117.98 Crore in the previous year. The total debt as on 31st March 2024 was ₹ 537.48 Crore which includes ₹ 262.94 Crore long-term debt and ₹ 274.54 Crore of short-term debt (accrued interest included). Cash and cash equivalents and other bank balances at the year-end was ₹ 109.40 Crore resulting in a net debt position of ₹ 428.08 Crore. Your company continued to maintain a conservative leverage profile with a total debt to equity ratio of 1.29.

Subsidiaries, Associates and Joint Ventures

There were no significant operations carried out in Pitti Rail and Engineering Components Limited a Wholly Owned Subsidiary (WoS) during the year ended 31st March 2024.

Your Company does not have any joint venture or associate companies. There has been no material change in the nature of business of the subsidiary. A report on the performance and financial position of the subsidiary, set out in the prescribed form AOC-1 in terms of proviso to Section 129 (3) of the Companies Act, 2013 is provided as Annexure to the consolidated financial statements and hence not repeated here.

Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on 15th June 2023 based on the recommendations of the Audit Committee and the Committee of Independent Directors, has considered and approved the scheme of amalgamation amongst Pitti Castings Private Limited (PCPL) and Pitti Rail and Engineering Components Limited (PRECL) and the Company and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013.

Rationale for the Scheme

The Company had acquired shares in PCPL originally with an objective to ensure vertical integration of businesses which would provide increased opportunities and better margins to the Company. However, due to operational and financial reasons, the Company could not complete the consolidation historically. With a view to now achieve vertical integration and broaden its footprint across the supply chain, the Company has strategically decided to integrate the Castings Business with its operations which will result in the following synergies (i) Enhance the Company's control over the supply and inventory management of its raw materials by a unified approach on supply chain management and consequent synergies leading to optimization of resource utilization, reduced finance cost, operational cost, reduced duplication of administrative efforts and better procurement policies and prices, for the combined business. (ii) Allow the Company to gain access to long-term contracts by bolstering an entire integrated process helping them cover the end-to-end supply chain. (iii) Enhance the Company's margins and profitability and reduction in related party transactions of the Company which would enhance value for all its stakeholders. (iv) Help the Company to diversify its business and provide the Company with access to a new set of customers and industries.

PRECL was incorporated as a Wholly Owned Subsidiary of the Company for the purpose of undertaking a greenfield project in relation to the manufacture of railway and engineering components. Since the Company has undertaken the said business through Brown field project, there is no longer need of a separate corporate entity. The Scheme is expected to provide the following benefits (i) The amalgamation will result in simplifying the corporate structure and elimination of duplication in administrative cost and multiple record keeping thus resulting in cost savings.

Consideration

There is no cash consideration involved in the Scheme. The equity shares to be allotted by the Company in consideration of the amalgamation is based on the registered valuers report

dated 15th June, 2023, issued jointly by Mr. Niranjana Kumar, and SSPA & Co., Chartered Accountants. Keynote Financial Services Limited, an Independent SEBI registered Category-I Merchant Banker has provided its opinion on the fairness of Share Exchange Ratio as recommended in the Valuation Report.

Share Exchange Ratio: 01 (One) equity share of Pitti Engineering Limited of ₹ 5/- each, fully paid-up for every 55 (Fifty-Five) equity shares of PCPL of ₹ 10 /- each, fully paid-up.

The consideration for the Scheme shall be discharged on an "arm's length" basis. The transaction is a related party transaction, and is exempted from separate approval requirements under Section 188 of the Companies Act, 2013. The equity and preference shares held by the Company in PCPL would get cancelled upon amalgamation. PRECL is a wholly owned subsidiary of the Company. Hence, all the equity shares issued by PRECL to the Company and/ or its nominees shall stand cancelled and extinguished upon amalgamation.

Current Status

The Company had filed the Scheme with Stock Exchanges on 26th June 2023 and received their no objection on 26th October 2023. Further, the Company has received approval from the shareholders and creditors pursuant to a National Company Law Tribunal (NCLT) convened meeting on 22nd March 2024. A joint petition has been filed with the NCLT, Hyderabad bench on 29th March 2024 and the same was reserved for hearing on 7th June 2024. The Scheme would become effective from the appointed date (1st April 2023) after receipt of all requisite approvals as mentioned in the Scheme.

The Scheme of Amalgamation and other relevant documents are available on the website of the Company at https://www.pitti.in/investor_desk/investors_soa.php

Acquisitions

The Board of Directors of the Company at its meeting held on 11th March 2024 approved the secondary acquisition of 100% of the equity share capital of Bagadia Chaitra Industries Private Limited (BCIPL) and authorized its officials to finalize and execute share purchase agreements/ binding agreements. The cost of acquisition was to be arrived at, by adjusting the Enterprise Value of ₹ 124.92 crores for the net debt and working capital changes on the closing date and was subject to other adjustments as mutually agreed between the parties. The Company had completed the acquisition of 100% of the equity share capital of BCIPL from the existing shareholders on 6th May 2024 and effective from the said date BCIPL has become a wholly owned subsidiary of the Company.

Consolidated Financial Statements

The Audited Consolidated Financial Statements of the Company as on 31st March 2024, which forms part of this Annual Report, have been prepared pursuant to the provisions of SEBI Listing Regulations and applicable Indian Accounting Standard (IndAS) on Consolidated Financial Statements (IndAS-110) as notified by the Ministry of Corporate Affairs.

The annual accounts of the subsidiary company are kept for inspection by any member at the Registered Office of the Company as well as at the Registered Office of the subsidiary company and also available on the website of the Company www.pitti.in. Any member interested in a copy of the accounts of the subsidiary may write to the Company Secretary at the Registered Office of the Company.

Material Changes

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of this report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

Transfer to Reserves

The Company has not transferred any amount to the General Reserve out of the amount available for appropriation during the financial year ended 31st March 2024.

Dividend

Your Directors are pleased to recommend a final dividend of ₹ 1.50/- (30%) per equity share of face value of ₹ 5/- each for the financial year ended 31st March 2024, subject to the approval of members. The final dividend, if declared by the members at the ensuing 40th Annual General Meeting will be paid within 30 days from the conclusion of 40th AGM subject to deduction of tax at source as applicable to the members whose names appear on the Company's register of members as on Friday, 13th September 2024 and in respect of the shares held in dematerialised mode to the members whose names are furnished by the National Securities Depository Limited and Central Depository Services Limited as beneficial owners as on that date.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend distribution policy is available on the Company's website at <https://www.pitti.in/investordesk/Docs/Client/CLT1/Dividend%20distribution%20policy.pdf>

Share Capital

During the year under review there has been no change in the authorised and paid-up share capital of the Company. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares.

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.

Pursuant to Rule 2(c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company has received unsecured

loans from its Directors. The details of which are provided in the Financial Statement and under transactions with related parties which forms part of this report.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

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-1 and forms an integral part of this report.

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.

There are no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and there are no instances of onetime settlement with any Bank or Financial Institution.

Director's & Key Managerial Personnel

During the year under review Shri Y B Sahgal was appointed as Independent Director w.e.f 9th November 2023.

With effect from 15th May 2024, Shri Sharad B Pitti, Chairman & Managing Director and Shri Akshay S Pitti, Vice-Chairman & Managing Director were re-designated as Founder & Chairman and Managing Director & Chief Executive Officer respectively.

In accordance with the provisions of Section 152 of the Companies Act, 2013 Shri Akshay S Pitti, Managing Director & Chief Executive Officer retires by rotation and being eligible offers himself for re-appointment.

The details of the Director seeking re-appointment including appointment of Independent Directors of the Company will be provided in the notice convening the 40th Annual General Meeting of the Company.

None of the Directors of the Company are disqualified under the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015. The certificate of non-disqualification of Directors pursuant to SEBI Listing Regulation is annexed to this Report.

The Independent Directors of the Company have submitted a declaration confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. In the opinion of the Board, all Independent Directors are independent of the management.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of

Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs. Further all Independent Directors are exempted from the requirement to undertake online proficiency self-assessment test as required under the said rules.

The following are the Key Managerial Personnel of the Company as on the date of this report.

Shri Sharad B Pitti, Founder & Chairman, Shri Akshay S Pitti, Managing Director & Chief Executive Officer, Shri M Pavan Kumar, Chief Financial Officer and Ms. Mary Monica Braganza, Company Secretary & Chief Compliance Officer.

Meetings of the Board

Six meetings of the Board were held during the year. The details of composition of the Board, particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

Committees of the Board

Detailed composition of the Board committees, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report, which forms a part of this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out the annual evaluation of the Directors as well as the evaluation of the Board and its Committees. The performance evaluation of the Independent Directors was carried out by the entire Board, except the Director being evaluated. The performance evaluation of the Founder & Chairman and the Managing Director & Chief Executive Officer was carried out by the Independent Directors. The process was carried out by circulating questionnaires on the functioning of the Board, its Committees and Individual Directors on parameters approved by the Nomination and Remuneration Committee.

As an outcome of the above exercise, it was noted that the Directors come from different backgrounds with varied administrative, financial, legal, banking and corporate experience. They bring together a good blend of knowledge, relevant skills, experience. The Board has functioned as a cohesive body and has guided the management. It has effectively monitored both the progress and quality of work with appropriate risk management measures. It has ensured compliance with legal, regulatory and good governance norms. It was also noted that the Committees of the Board are functioning well, and satisfaction was expressed on the performance of Independent Directors and the Executive Directors of the Company.

Particulars of Employees and Related Disclosures

The information relating to remuneration and other details as required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided as an Annexure-2 to this report.

The statement containing particulars of employees as prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, as per the provisions of Section 136(1) of the Act, the annual report is being sent to all the members excluding the aforesaid statement. The statement is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors of your Company confirm that:

- in the preparation of the annual accounts for the financial year ended 31st March 2024, the applicable Accounting Standards have been followed and there are no material departures from the same.
- 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 as at 31st March 2024 and of the profit of the Company for the year ended on that date.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- the annual accounts have been prepared on a 'going concern' basis.
- 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
- proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

Industrial Relations

The Company enjoyed cordial relations with its employees during the year under review. Your Company has always considered its workforce and their skills as its valuable asset and continues to enhance their performance with emphasis on aligning it with the changing business requirements. The periodical trainings, incentives, increments and other welfare measures ensure healthy industrial relations. The total number of employees on rolls as on 31st March 2024 was 1502.

Prevention of Sexual Harassment

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. The Company is committed to creating and maintaining a healthy working environment that enables employees to work without fear or 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. The Company has complied with the provisions relating to the constitution of internal complaints committee under the Sexual Harassment of Women at Work Place (Prevention Prohibition and Redressal) Act 2013.

Vigil Mechanism / Whistle Blower Policy

The Company has adopted a whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations and section 177 of the Companies Act, 2013 for stakeholders including directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. The policy provides for adequate safeguards against victimization of employees who avail of the mechanism.

During the year under review, no personnel was denied access to the Audit Committee. The policy is posted on the website of the Company at:

[https://www.pitti.in/investordesk/Docs/Client/CLT1/Whistle%20Blower%20Policy%20%20Vigil%20Mechanism%20Policy%20\(Effective%20from%20April%201,%202019\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/Whistle%20Blower%20Policy%20%20Vigil%20Mechanism%20Policy%20(Effective%20from%20April%201,%202019).pdf)

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 audit is entrusted to M/s. Laxminiwas & Co, 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 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.

Further, the Statutory Auditors of the Company have also issued an attestation report on internal control over financial reporting

(as defined in section 143 of Companies Act, 2013) for the financial year ended 31st March 2024, which forms part to the Statutory Auditors Report.

Risk Management

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks help in maximizing returns. The Company has an elaborate risk management framework in place, which helps in identifying the risks and proper mitigation thereof and lays down the procedure for risk assessment and its mitigation through a Risk Management Committee. The risk management framework is periodically reviewed by the Board and the Audit Committee. The major risks which may pose challenges are set out in the Management Discussion and Analysis which forms an integral part of this report.

The Company has constituted a Risk Management Committee, details of the same are set out in the Corporate Governance Report. A Risk Management Policy has been formulated and adopted pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Corporate Social Responsibility

As per the provisions of section 135 of the Companies Act, 2013 the mandated spend on CSR activities for the financial year 2023-24 is ₹ 130.63 lakhs. During the year under review, your Company has spent ₹ 131 lakhs on CSR activities.

The Annual report on CSR activities as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 read with section 134(3) and 135(2) of the Companies Act, 2013, as amended, has been annexed as Annexure-3 and forms an integral part of this report.

The policy for Corporate Social Responsibility is available on the website of the Company, [https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2022/CSR%20Policy%20\(Effective%20from%20April%201,%202021\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2022/CSR%20Policy%20(Effective%20from%20April%201,%202021).pdf)

Particulars of Loans, Guarantees and Investments

The Company has not given any loans, guarantees or security in connection with loans or made any investments during the year under review.

Related Party Transactions

All transactions entered with related parties during 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 and the SEBI Listing Regulations. The material related party transactions entered by the Company are made with the approval of the Members. The information on transactions with related parties is given in Annexure-4 in Form No.AOC-2 and the same forms part of this report.

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 at [https://www.pitti.in/investordesk/Docs/Client/CLT1/Policy%20on%20Related%20Party%20Transaction%20\(Effective%20from%20April%201,%202022\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/Policy%20on%20Related%20Party%20Transaction%20(Effective%20from%20April%201,%202022).pdf)

Extract of Annual Return

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended, the Annual Return of the Company as on 31st March 2024 is available on the website of the Company at <https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2024/Annual%20Return%20FY%202023-24.pdf>.

Secretarial Standards

During the year under review, your Company has complied with all the applicable secretarial standards. The same has also been confirmed by Secretarial Auditors of the Company.

Management Discussion and Analysis

The Management Discussion and Analysis Report on the operations of the Company as required under SEBI Listing Regulations is provided in a separate section and forms an integral part of this Report.

Business Responsibility and Sustainability report

The Business Responsibility and Sustainability Report as stipulated under Regulation 34 (2)(f) of the SEBI Listing Regulations is applicable to your Company and the same forms an integral part of this Report.

Corporate Governance Report

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

Auditors and Auditor's Report

Statutory Auditors

In terms of Section 139 of the Companies Act, 2013 and the rules made thereunder Talati & Talati LLP, Chartered Accountants, (ICAI Firm Registration Number.110758W/W100377) were appointed as Statutory Auditors of the Company for a term of five consecutive years to hold office from conclusion of 38th Annual General Meeting ("AGM") till the conclusion of the 43rd AGM of the Company.

The notes on the financial statement referred to in the Auditor's Report are self-explanatory and do not call for any

further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

The Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Companies Act, 2013.

Cost Auditors

The Company is required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are maintained by the Company.

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 2024-25. As required under the Companies Act, 2013 a resolution seeking Member's ratification for the remuneration payable to the cost auditor forms part of the notice convening the 40th AGM.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed Shri Ajay Kishen, Practising Company Secretary (CP. No. 5146) to conduct Secretarial Audit for the Financial Year 2023-24. The Secretarial Audit Report for the financial year ended 31st March 2024 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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.

Acknowledgement

Your Directors wish to place on record their appreciation for the dedicated service and contribution made by the employees of the Company at all levels. Your Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from its customers, suppliers, bankers, financial institutions, government authorities, business partners and other stakeholders.

For and on behalf of the Board of Directors

Sharad B Pitti

Place : Hyderabad
Date : 15th May 2024

Founder & Chairman
DIN: 00078716

Annexure-1

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

Installation of energy-efficient machinery, LED lighting, HVAC systems and appliances to reduce energy consumption.

Implementation of advanced energy monitoring and control systems to optimize energy usage and minimise wastage.

Use of high-quality insulation materials, energy-efficient windows and building materials to minimize heat loss /gain thereby reducing the need for heating or cooling.

Deployment of automation systems and smart controls for lighting, HVAC, and other energy-intensive processes, ensuring they operate only when needed.

ii. Steps taken by the Company for utilising alternate sources of energy

The 1 MW solar plant installed at the Aurangabad facility has resulted in reduction of carbon emissions by 1,162 MT Co2e during the year 2023-24. Solar energy solutions is a significant step toward sustainable and clean energy generation.

Transition from fuel vehicles to electric vehicles (16 Nos) for daily use thereby helping reduction in carbon footprint and promoting sustainability.

iii. Capital investment on energy conservation equipment ₹ 313.73 lakhs

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:	High speed notching machines with robotic loader and unloader; High-speed blacking line and presses.
b. the year of import:	2023-24
c. whether the technology been fully absorbed:	Yes
d. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:	Not applicable

iv. The expenditure incurred on Research and Development:

Nil

C. Foreign exchange earnings and outgo

Particulars	₹ in lakhs	
	2023-24	2022-23
Foreign exchange earnings	44,347.70	37,166.63
CIF Value of imports	7,181.48	8,629.71
Expenditure in foreign currency	489.00	402.11

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 15th May 2024

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Annexure-2

Particulars of Remuneration

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

Name and Designation	Ratio of Remuneration to the median remuneration of the employees	Percentage increase in the remuneration
Shri Sharad B Pitti, Founder & Chairman	28.87 : 1	Nil
Shri Akshay S Pitti, Managing Director & Chief Executive Officer	28.87 : 1	Nil
Shri M Pavan Kumar Chief Financial Officer	16.88 : 1	48.19%
Ms. Mary Monica Braganza, Company Secretary & Chief Compliance officer	13.81 : 1	53.66%

The Non-Executive Directors of the Company are entitled to sitting fees as approved by the Board, hence the ratio of remuneration and percentage increase for Non-Executive Directors remuneration is not stated.

- Percentage increase in the median remuneration of employees in the financial year was 10.52%.
- Number of permanent employees on the rolls of the Company: There were 1,502 employees on the rolls as on 31st March 2024.
- 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.

The average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2023-24 is 11.07%. There has been no increase in the remuneration of managerial personnel for the financial year ended 31st March 2024.

- Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 15th May 2024

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Annexure-3

Annual report on Corporate Social Responsibility Activities

[Pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2022]

1. Brief outline on CSR Policy of the Company

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.

The Company's CSR Policy is in alignment with the provisions of the Companies Act, 2013. The activities undertaken include projects in urban and rural development, protection of national heritage, art and culture, welfare activities, women empowerment, eradicating hunger, promoting health care and education.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Sharad B Pitti	Chairman, Executive Director	1	Nil
2.	Shri Akshay S Pitti	Member, Executive Director	1	1
3.	Shri G Vijaya Kumar	Member, Independent, Non-Executive Director	1	1

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

The weblinks are as follows:

Composition of CSR Committee

<https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2023/Composition%20of%20Board%20Committees.pdf>

CSR Policy

[https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2022/CSR%20Policy%20\(Effective%20from%20April%201,%202021\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2022/CSR%20Policy%20(Effective%20from%20April%201,%202021).pdf)

CSR Projects

<https://www.pitti.in/investordesk/Docs/Client/CLT1/CSR%20Annual%20Action%20Plan%20E2%80%93%20FY%202023-24.pdf>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule(3) of rule 8, if applicable.

Not applicable. The Company does not have an average CSR obligation of ₹ 10 Crores or more in the 3 immediately preceding financial years as specified in Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5.	₹ in lakhs
(a) Average net profit of the Company as per sub-section (5) of section 135	6531.23
(b) Two percent of average net profit of the Company as per sub-section (5) of section 135	130.63
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	Nil
(d) Amount required to be set-off for the financial year, if any	Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	130.63

6.	₹ in lakhs
(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	131.00
(b) Amount spent in Administrative Overheads	Nil
(c) Amount spent on Impact Assessment, if applicable	Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	131.00
(e) CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
131	NIL	NIL	NIL	NIL	NIL

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount ₹ in lakhs
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	130.63
(ii)	Total amount spent for the Financial Year*	131.70
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	1.07
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	1.07

* Includes excess amount of Rs. 0.70 lakhs spent in financial year 2022-23 and available for set off in financial year 2023-24

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance amount in unspent CSR account under sub-section (6) of section 135	Amount spent in the reporting financial year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of transfer		
								Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135

Not applicable

Place : Hyderabad
Date : 15th May 2024

Sharad B Pitti
Founder & Chairman
Chairman - CSR Committee
DIN: 00078716

Annexure-4

FORM NO. AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 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 2024 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 contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2024 are given below:-

Name of the related party and nature of relationship	Nature of contracts / arrangements	Duration of the contract / arrangements / transactions and salient terms	Amount ₹ in lakhs
Shri Sharad B Pitti Founder & Chairman (KMP) Smt Madhuri S Pitti Spouse of Shri Sharad B Pitti	Lease rentals paid for office and factory premises	Ongoing [Lease of Office premise for a period of 20 years from 1st April 2018, Plant II for a period of 10 years from 1st November 2016 and Plant IV for a period of 30 years from 1st November 2016. The lease rentals are at arms length]	110.88 204.30
Pitti Castings Private Limited Enterprise over which KMP or relative of KMP having significant influence	Purchase and Sale of goods & services	Ongoing [Purchase and sale of goods & services at arm's length. Advance, if any as per terms of contract are adjusted against the invoice.]	13962.04
Pitti Electrical Equipment Private Limited Entity having significant influence over the entity	Purchase and Sale of goods & services	Ongoing [Purchase of goods & services at arm's length. Advance, if any as per terms of contract are adjusted against the invoice.]	31.89
Pitti Trade and Investment Private Limited Enterprise over which KMP or relative of KMP having significant influence	Rental Income	Ongoing [Sublease of office premise for a period of 19 years from 21st June 2019, the lease rentals are at arms length]	1.74
Pitti Rail and Engineering Components Limited Wholly Owned Subsidiary	Investment	Investment in the equity shares of Wholly owned subsidiary	5.00
Pitti Electrical Equipment Private Limited Entity having significant influence over the entity	Interest on Inter corporate deposits	Ongoing [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 is 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]	212.04
Smt Radhika A Pitti Spouse of Shri Akshay S Pitti	Remuneration	Ongoing [As per terms of employment]	15.25

For and on behalf of the Board of Directors

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Place : Hyderabad
Date : 15th May 2024

Secretarial Audit Report

For The Financial Year Ended on 31st March 2024

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

To,
The Members,
Pitti Engineering Limited
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pitti Engineering 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, 2024, 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 the Company for the financial year ended on 31st March, 2024 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;
- (v) The following 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, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021; [Not applicable to the company during the Audit period];
- e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [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, 2021; [Not applicable to the company during the Audit period];
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable to the company during the Audit period];
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
 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. Employee's State Insurance Act, 1948, and rules made thereunder,
 5. The Employee's 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 Environment (Protection) Act, 1986,
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. Employee's Compensation Act, 1976
18. Equal Remuneration Act, 1976,
19. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959,

I 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 National Stock Exchange of India Limited and BSE Limited.

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 and Listing Regulations.

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 for meetings other than those held at shorter notice.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that during the audit period under review the Company had :

- 1) Obtained the approval of the Board of Directors at their meeting held on 15th June 2023 for the Scheme of Amalgamation amongst Pitti Castings Private Limited ("Amalgamating Company 1") and Pitti Rail and Engineering Components Limited ("Amalgamating Company 2") and Pitti Engineering Limited ("Amalgamated Company")
- 2) Obtained the approval of shareholders of the Company by way of postal ballot on 9th November 2023 for the appointment of Mr. Yogender Bahadur Sahgal [DIN:01622420] as an Independent Director.
- 3) Obtained the approval of the Board of Directors at their meeting held on 11th March 2024 for the secondary acquisition of 100% of the equity share capital of Bagadia Chaitra Industries Private Limited and authorized its officials to finalise and execute share purchase agreements / binding agreements.

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.

I further report that during the audit period of the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Ajay Kishen

Practicing Company Secretary

Place: Hyderabad

M.No: 6298 CP:5146

Date: 15th May 2024

UDIN: F006298F000376437

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 Engineering 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. Wherever 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 the 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: 15th May 2024

Ajay Kishen

Practicing Company Secretary
M.No: 6298 CP:5146

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

S. No	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L29253TG1983PLC004141
2	Name of the Company	Pitti Engineering Limited
3	Year of incorporation	17-Sep-1983
4	Registered office address	6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082
5	Corporate address	Same as above
6	E-mail	shares@pitti.in
7	Telephone	91 40-23312774/ 23312770
8	Website	www.pitti.in
9	Financial year for which reporting is being done	1st April 2023 to 31st March 2024
10	Name of the stock exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited.
11	Paid-up capital	₹ 1602.50 Lakhs
12	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Shri Sandip Agarwala COO – Motor & Generator Components Business Email: brsr@pitti.in Contact: 91 40-23312774/ 23312770
13	Reporting boundary	Standalone
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities

S. No.	Description of main activity	Description of business activity	% of Turnover
1	Manufacturing	Electrical laminations, sub-assemblies for motor cores and generators, die-cast rotors and machining of metal components.	100%

17. Products/Services sold by the Company

S. No.	Product/Service	NIC Code	% of total turnover contributed
1	Electrical laminations and stampings	25910	64.94%
2	Machining of metal components	25920	18.96%
3	Others- Metal scrap, traded goods, and tools	3830, 46699, 28229	16.10%

III. Operations

18. Number of locations where plants and/or operations/offices are situated:

Location	Number of plants	Number of offices	Total
National	4	1	5
International		Nil	

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	11 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

36%

c. A brief on types of customers

The Company serves Business to Business customers. The Company specialises in the manufacturing of a wide range of products such as electrical steel laminations, motor cores, sub-assemblies, die rotors, press tools and machining of metal components. We supply a range of products for use in diversified industries like renewable energy, power generation, automotive, data centers, special purpose motors and mining.

IV. Employees

20. Details as at March 31, 2024

a. Employees and Workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
Employees						
1	Permanent (D)	792	771	97.35	21	2.65
2	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3	Total Employees (D+E)	792	771	97.35	21	2.65
Workers						
4	Permanent (F)	710	710	100.00	Nil	Nil
5	Other than Permanent (G)	2,147	2,141	99.72	6	0.28
6	Total Workers (F + G)	2,857	2,851	99.79	6	0.21

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	%(B/A)	No. (C)	%(C/A)
Differently Abled Employees						
1	Permanent (D)					
2	Other than Permanent (E)			Nil		
3	Total Differently Abled Employees (D + E)					
Differently Abled Workers						
4	Permanent (F)					
5	Other than Permanent (G)			Nil		
6	Total Differently Abled Workers (F + G)					

21. Participation/Inclusion/Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	%(B/A)
Board of Directors	8	1	12.50
Key Management Personnel	2	1	50.00

Executive Directors who are KMP are included in the Board of Directors. The Chief Financial Officer and the Company Secretary & Chief Compliance Officer are shown in KMP.

22. Turnover rate for Permanent Employees and Workers

	2023-24 (%)			2022-23 (%)			2021-22 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.89	24.39	20.99	7.68	-	7.68	5.69	1.78	5.59
Permanent Workers	16.40	-	16.40	7.36	-	7.36	4.99	-	4.99

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed Entity? (Yes/No)
1	Pitti Rail and Engineering Components Limited	Wholly Owned Subsidiary	100	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes
 (ii) Turnover: ₹ 1,19,174.58 lakhs
 (iii) Net worth: ₹ 41,628.18 lakhs

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	2023-24			2022-23		
		Number of complaints filed during the year	Number of pending complaints at close of the year	Remarks	Number of complaints filed during the year	Number of pending complaints at close of the year	Remarks
Communities	Yes	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Refer link below	Nil	Nil	NA	Nil	Nil	NA
Shareholders		8	Nil	NA	2	Nil	NA
Employees and workers		Nil	Nil	NA	Nil	Nil	NA
Customers		13	Nil	NA	14	Nil	NA
Value Chain Partners		Nil	Nil	NA	Nil	Nil	NA

<https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2023/Grievance%20Redressal.pdf>

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health and Safety	Risk	Occupational hazards may endanger the safety of our employees and communities around our manufacturing locations.	Increased automation with extra focus on workmen's safety helps to manage and improve Health and Safety performance.	Negative
2	ESG	Opportunity	Following-through on Environment, Social and Governance commitments to regulators, customers and investors enables the Company to secure its reputation and future business opportunities.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Employee Retention and Talent Development	Risk	The Company requires employees of a special skill set. Given there are very few companies in this genre of business who operate around the Company's plants, retention is important.	Multiple learning and development programs to upskill and reskill people Robust system for acquiring and retaining the right talent	Negative
4	Cybersecurity	Risk	Increased digitalization and automation exposes the Company to new risks including data breaches, identity theft and other types of cybercrime.	Establishing strong cybersecurity systems that can avoid any kind of data breach and pose threat to the company's values.	Negative
5	Regulatory Compliance	Risk	Failure to comply with relevant laws and regulations may result in legal and financial penalties.	Creating a strong ethical organizational culture with a focus on transparency and compliance.	Negative
6	Social Responsibility	Opportunity	Ensuring goodwill with local, and marginalized communities through community development.		Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes:									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b. Has the policy been approved by the Board?	The Policies are approved by the Board or the Managing Director & Chief Executive Officer of the Company, based on the nature of the Policy and the associated regulatory requirements.								
c. Web Link of the Policies, if available	The Corporate policies of the Company can be viewed at Weblink https://www.pitti.in/investordesk/investors_d_p.php Other policies are available internally in the Company								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 14001-2015 ISO 9001-2015								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>a. Afforestation and Greenbelt Development The company aims to increase afforestation initiatives within the company's facilities to promote carbon sequestration. The company utilizes Miyawaki plantation method for the enhanced growth of the greenery. By employing the Miyawaki method, the company aims to create self-sustaining, low-maintenance green spaces.</p> <p>b. Shifting towards Eco-Friendly Transportation The company aims to transition its fleet from fuel vehicles to electric vehicles. Electric vehicles, with their superior energy efficiency, offer a substantial reduction in carbon footprint and promote sustainable resource utilization.</p> <p>c. Energy Management The company aims to increase energy generation from renewable sources for all its manufacturing facilities and to support resource conservation.</p>								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	<p>a. The Company has reserved 7 acres of land at its Aurangabad facility and 1 acre of land at the Hyderabad facility for afforestation and greenbelt. This project entails plantation of about 21,500 trees at the Aurangabad Facility and about 15,000 trees at the Hyderabad Facility. We have planted about 5,450 trees at the Aurangabad facility and about 6,107 trees at the Hyderabad facility using the innovative Miyawaki afforestation method, as well as other traditional methods. The plantation is expected to grow in multiple layers with an annual growth rate of 1 metre. Within 2 years, the resultant plantation is expected to become self-sustainable.</p> <p>b. The company has purchased 16 Electric Vehicles (6 in FY 2022-23 and 10 in FY 2023-24) which has reduced the potential Scope 1 Greenhouse Gas Emissions by 42.754 t CO2e, in the last two years. To support the transition further, the company plans to introduce more Electric Vehicles in its fleet, based on requirement.</p> <p>c. The company currently has a 1 MW solar power plant at its Aurangabad facility. To increase the share of renewable electricity in the company's energy mix, an enhancement of the renewable power to 3 MW is planned.</p>								

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).	<p>We are dedicated to upholding the principles of NGRBC and core elements, by integrating the principles into our operations for promoting a responsible and sustainable business environment. We believe that sustainability is not only the correct thing to do, but also a competitive advantage.</p> <p>In continuation of our efforts to reduce the company's carbon footprint, the initiatives taken up by the company during the year, among others, include solar energy and afforestation. The solar power plant at our Aurangabad Plant continued to generate around 1,629.55 MWh units, leading to a reduction of carbon emissions by 1162 MT CO2 equivalent. Through the Miyawaki Plantation method, the company has embarked on an afforestation programmes which would create a self-sustainable forest spanning 8 acres. Through these means, we strive to create a greener and healthier environment while combating climate change.</p> <p>Our dedication to integrating sustainability is reflected in every facet of our operation. We continue to invest in our team's well-being, resulting in enhanced morale and engagement, for the holistic growth of the organization. Our rigorous safety measures and training programs have led to zero workplace injuries and a safe & secure environment for all. Our CSR initiatives and active engagements with local communities reflects our strong commitment towards social responsibility.</p> <p>We also acknowledge the role of effective governance and transparency in achieving our commitment to sustainability. Our strong ethical framework for governance, robust review and monitoring systems ensure that all employees and Board members adhere to the highest standards of integrity. Our cyber security measures actively address key data security risks, reinforcing the resilience of our systems.</p> <p>We believe in intertwining sustainability agenda into the business objectives and considering our focus on ESG will be key driver of long-term value creation for our key stakeholders. On the whole, the Company is diligently working towards the goals set for reducing carbon emissions, replacing fossil fuels with renewable options, mindful management of water and waste and conservation of biodiversity.</p> <p>Akshay S Pitti Managing Director & Chief Executive Officer</p>								
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Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Akshay S Pitti (DIN 00078760), Managing Director & Chief Executive Officer, under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Risk Management Committee of the Company oversees the factors related to the Environment, Social and Governance aspects and provides adequate inputs to the Board of Directors. The Corporate Social Responsibility Committee oversees the social factors and provide necessary insights to the Board of Directors. For details on the Committees please refer to the Report on Corporate Governance in the Annual Report.								

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action.	The policies of the Company are reviewed by Department Heads / Board Committees and Board of Directors wherever applicable.									Reviewed at frequency stated in respective policies or on need basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliance.	The status of compliance with all applicable statutory requirements is reviewed by the Board.									Quarterly								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. The policies and processes are subject to audits / reviews done internally in the Company from time to time.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P7
The entity does not consider the principles material to its business (Yes/No)	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No
It is planned to be done in the next financial-year (Yes/No)	No
Any other reason (please specify)	There is no specific policy outlined for Principle 7. The Company through associations /institutions / trade and industry chambers strives to advocate and pursue various causes that are in the larger interest of the industry, economy, society and public.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE****Essential Indicators**

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	5	The Board and KMP engage in awareness sessions pertaining to business, strategy, risk and regulatory training.	100%
Key Managerial Personnel	4		
Employees other than BOD and KMPs Workers	95	The employees/workers undergo various trainings /awareness sessions such as induction training at the time of joining and leadership, policy, safety, environment, social, governance, occupational health, mental health, soft skills, risk management, function specific technical and compliance training during the course of employment.	55.07%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website):

Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding Fee					

Non-Monetary					
Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the appeal/ revision preferred in cases where monetary or non-monetary action has been appealed.

S. No.	Case details	Name of the regulatory/ enforcement agencies / judicial institutions
		Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has a policy for anti-bribery and corruption for all employees and is available internally. The Company has also adopted a Code of Conduct applicable to the Board of Directors and senior management personnel of the Company. The members of the Board of Directors and senior management personnel of the Company are required to affirm an annual compliance of this code. Weblink: <https://pitti.in/investordesk/Docs/Client/CLT1/Code%20of%20Conduct.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	2023-24	2022-23
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	2023-24		2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured)

	2023-24	2022-23
Number of days of accounts payables	81	105

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties.

Parameter	Metrics	2023-24	2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	13.14%	10.03%
	b. Sales (Sales to related parties / Total Sales)	0.56%	1.21%
	c. Loans & advances (Loan & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	100%	Nil

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	2023-24	2022-23	Details of improvements in environmental and social impacts
R & D	Nil	Nil	Nil
Capex	2.78%	Nil	A 1 MW solar power plant was installed at the Aurangabad facility in FY 2021-22 which contributed to cumulative reduction of carbon emissions by 2382 MT CO2e for FY23 and FY 24. In 2023-24, the company has made investments in Electrical Vehicles (EV) and LED bulbs for reduction in GHG (Scope 1 & 2) emissions.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
Yes
 - If yes, what percentages of inputs were sourced sustainably?
82.11%*
** Raw materials only considered*
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
End of life procedures are currently not mandated for the Company as Extended Producer Responsibility is not applicable.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
Not Applicable.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

- Details of measures for the well-being of employees:

Category	% of employees covered by									
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees										
Male	771	771	100	771	100	NA	NA			
Female	21	21	100	21	100	21	100	Nil	Nil	
Total	792	792	100	792	100	21	100			
Other than Permanent Employees										
Male										
Female	Nil					NA				
Total										

- Details of measures for the well-being of workers:

Category	% of employees covered by									
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers										
Male	710	710	100	710	100	NA	NA			
Female	Nil	NA	NA	NA	NA	NA	NA		Nil	
Total	710	710	100	710	100	NA	NA			

Category	% of employees covered by									
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Other than Permanent workers										
Male	2,141	2,141	100	2,141	100	NA	NA			
Female	6	6	100	6	100	6	100		Nil	
Total	2,147	2,147	100	2,147	100	6	100			

- Spending on measures towards well-being of employees and workers (including permanent and other than permanent)

	2023-24	2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.20%	0.16%

- Details of retirement benefits for the current and previous financial year

Benefits	2023-24			2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total Workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	19.70	89.04	Yes	24.70	88.81	Yes
NPS	2.15	Nil	Yes	2.40	Nil	Yes

- Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

- Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. The Company firmly upholds its commitment to providing equal opportunities for all individuals. We ensure that all job applicants and employees are treated with fairness and equality, regardless of gender, marital status, disability, race, color, religion, age, sexual orientation, nationality, or ethnic/national origins. The Policy is available internally in the Company.

- Return to work and Retention rates of permanent employees and workers that took parental leave.

Nil

- Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

(If yes, then give details of the mechanism in brief)	
Permanent Workers	Yes.
Other than Permanent Workers	The Company has a three-stage Grievance Redressal mechanism with an appropriate forum for each stage. For grievances pertaining to sexual harassment, the IC Committee may be approached. The Whistle Blower Policy of the Company enables persons to freely communicate their concerns on illegal or unethical practices by writing to the dedicated mail.
Permanent Employees	
Other than Permanent Employees	

- Membership of employees and worker in association(s) or Unions recognized by the listed entity:

No Unions existing.

8. Details of training given to employees and workers

Category	2023-24					2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	771	347	45.01	334	43.32	648	398	61.42	78	12.04
Female	21	1	4.76	1	4.76	20	-	-	-	-
Total	792	348	43.94	335	42.30	668	398	59.58	78	11.68
Workers										
Male	710	328	46.20	261	36.76	663	220	33.18	50	7.54
Female	-	-	-	-	-	-	-	-	-	-
Total	710	328	46.20	261	36.76	663	220	33.18	50	7.54

9. Details of performance and career development reviews of employees and workers

Category	2023-24			2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	771	613	79.51	648	524	80.86
Female	21	16	76.19	20	14	70.00
Total	792	629	79.42	668	538	80.54
Workers						
Male	710	624	87.89	663	590	88.99
Female	-	-	-	-	-	-
Total	710	624	87.89	663	590	88.99

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company has implemented an occupational health and safety management system that covers various aspects such as EHS plan & policy, work permits, environmental monitoring, risk assessment, safety guidelines, work instructions, occupational health center, fire fighting equipment, annual medical checkups, compliance with legal requirements, hazards identification, safe working procedures, preventive maintenance, incident reporting, SOP maintenance, provision of PPE, safety committee meetings.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company conducts routine safety drills to assess the effectiveness of its safety protocols and identify potential risks that may arise during work-related operations. Regular interaction with on-site personnel is conducted to gather feedback and evaluate any hazards they have encountered or anticipated. Various measures are employed to identify and assess work-related hazards and risks, including:

- Hazard Identification and Risk Assessment (HIRA)
- Failure Modes and Effects Analysis (FMEA)
- Internal and external audits
- Why-Why analysis,
- Work permit system, and
- A near miss reporting system.
- Additionally, work zone monitoring and noise assessment analysis are conducted to ensure safety in the workplace.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

d. Do the employees/ worker of the Company have access to non-occupational medical and health care services? (Yes/ No)

Yes.

11. Details of safety related incidents:

Safety Incident/Number	Category	2023-24	2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place

The Company is committed to maintaining the highest standards of occupational health and safety. Our proactive approach to risk assessment, safety audits, and incident management ensures continuous improvement of our processes and the well-being of our employees. Following are some of the steps taken to ensure a safe and healthy workplace:

- To provide a safe and healthy workplace, all applicable statutory requirements are followed and monitored at all times.
- All employees and workers get training on a range of topics pertaining to health and safety, including a health and safety induction programme for workers, job-specific training on the use of PPES, training on identifying and understanding all work-related hazards and risks, and so on.
- Periodic medical check-ups and health awareness sessions are conducted to maintain a healthy workforce.
- There is a planned emergency response strategy, which involves recognizing potential risks and taking apt measures to mitigate them.
- The Company has established a number of safety procedures and equipment to maintain a healthy and safe working environment, including:
 - Installing safety sensors and light curtains
 - Setting up safety fencing around all revolving machines
 - Installing fire alarms, hydrant, and smoke detector systems
 - Regular ambient air monitoring to maintain a safe workspace
 - Providing appropriate personal protective equipment (PPE) for job requirements
 - Availability of safety showers

These measures collectively contribute to maintaining a secure and protected working environment.

13. Number of Complaints on the following made by employees and workers

	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions						
Health & Safety		Nil			Nil	

14. Assessment for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions

There are no such instances of safety-related incidents / risks / concerns arising from assessments of health & safety practices and working conditions.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

The stakeholders are identified based on the significance of their impact on the business and value creation. The Company focuses on developing trust-based relationships and understanding the priorities of its stakeholders to foster shared value.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website)	Frequency of engagement (Annually/ Half yearly/Quarterly/ Others - please specify).	Purpose and scope of engagement including key topics and concerns raised during such engagement.
Employees and Workers	No	Email, Phone calls, SMS, Meetings, Notice Board, Training Programs, festival and foundation day celebration, Intranet	Regular	Day to day activities/ Conduct of Business. Trainings, addressing concerns, innovation, operational efficiencies, health, safety and recreational activities.
Investors and Shareholders	No	Email, Website, Quarterly publication of results, Newspaper advertisements, Analysts/ Investor Calls, Annual General Meetings, Stock Exchange intimations.	Annually/Half yearly/ Quarterly/ Event basis	Compliance, Governance Practices Update on business, financial and operational performance. Keeping communication channels open with shareholders and investor community helps to connect them with the Company.
Communities	Yes	Physical Meetings / Reviews/ Assessments	Event Based	CSR Programs and other initiatives Engagement with communities through the CSR Activities, addressing concerns of surrounding communities.
Customers and Value Chain Partners	No	Email, Meetings, Survey, Phone calls, Websites.	Regular	Business / Project Related Product quality and availability, timely delivery and payments, ESG consideration. responsiveness to customer needs, customer satisfaction, customer surveys and feedback mechanisms.
Government and Regulatory Bodies	No	Fillings and submissions, Engagement during visits to our facilities, Email and website	Event Based	Compliance with applicable laws and regulations Transparency, Disclosure, Compliance, Constructive engagement

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy (ies) of the Company

Category	2023-24			2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	792	348	43.94	668	668	100
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	792	348	43.94	668	668	100
Workers						
Permanent	710	328	46.20	663	663	100
Other than permanent	2147	966	44.99	1170	1170	100
Total Workers	2857	1294	45.29	1833	1833	100

2. Details of minimum wages paid to employees and workers

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	771	Nil	Nil	771	100	648	Nil	Nil	648	100
Female	21	Nil	Nil	21	100	20	Nil	Nil	20	100
Other Than Permanent										
Male	Nil					Nil				
Female	Nil					Nil				
Permanent Workers										
Male	710	Nil	Nil	710	100	663	Nil	Nil	663	100
Female	Nil	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other Than Permanent										
Male	2,141	Nil	Nil	2,141	100	1,161	Nil	Nil	1,161	100
Female	6	Nil	Nil	6	100	9	Nil	Nil	9	100

3. Details of remuneration/ salary/ wages

a. Median remuneration / wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹)	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BOD) ¹	2	98.78	Nil	NA
Key Managerial Personnel	1	57.75	1	47.25
Employees other than BoD and KMP	768	4.31	20	6.92
Workers	710	2.88	Nil	NA

Note1: Median remuneration is calculated only for Executive Directors; Independent Directors receive sitting fees which is not included above.

b. Gross wages paid to females as % of total wages paid by the Company

	2023-24	2022-23
Gross wages paid to females as % of total wages	2.72%	2.55%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Any grievances concerning violations of human rights should be reported through the Grievance Policy Mechanism implemented by the Company. We ensure that all grievances received are thoroughly investigated, and appropriate actions are taken to resolve the issue or complaint. In cases where necessary, disciplinary actions are initiated as deemed fit

6. Number of Complaints on the following made by employees and workers

	2023-24			2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour		Nil			Nil	
Wages						
Other Human rights related Issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	2023-24	2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)		
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company has implemented Whistle Blower Mechanism where any discrimination and harassment cases can be directly brought to the notice of the Audit Committee. The Company also ensures protection against discrimination for employees who make disclosures or raise concerns under Grievance Redressal Mechanism. The POSH policy ensures that the complainant, anyone assisting the complainant, and anyone investigating into the complaint are not subjected to any adverse consequences.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessment for the year

Particulars	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	100%
Wages	
Other human rights related issues	

11. Provide details of any corrective actions taken or under way to address significant risks / concerns arising from the assessments at Question 10 above

No such significant risks/concerns were identified by the company.

PRINCIPLE 6 BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	2023-24	2022-23
From renewable sources		
Total electricity consumption (Giga Joules) (A)	5,297.29	5,335.82
Total fuel consumption (Giga Joules) (B)	-	-
Energy consumption through other sources (Giga Joules) (C)	-	-
Total energy consumed from renewable sources (A+B+C)	5,297.29	5,335.82
From non-renewable sources		
Total electricity consumption (Giga Joules) (D)	44,214.40	35,175.93
Total fuel consumption (Giga Joules) (E)	16,829.80	9,902.95
Energy consumption through other sources (Giga Joules) (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	61,044.20	45,078.88
Total energy consumed (A+B+C+D+E+F)	66,341.49	50,414.69
Energy intensity per rupee of turnover*		
(Total energy consumed / Revenue from operations) (GJ/ Rs in Crores)	55.21	45.82
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*		
(Total energy consumed / Revenue from operations adjusted for PPP)	1,266.93	1,048.92
Energy intensity in terms of physical output*(GJ/Output in MT)		
Energy intensity (optional) – the relevant metric may be selected by the entity	1.62	1.41
	-	-

Note: Comparatives for the FY 2022-23 has been corrected

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not Applicable

3. Provide details of the following disclosures related to water

Parameter	2023-24	2022-23
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	16,142.37	15,940.98
(iii) Third party water	1,254.65	72.30
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v)	17,397.02	16,013.28
Total volume of water consumption (In kiloliters)	17,397.02	16,013.28
Water intensity per rupee of turnover*		
(Total water consumption / Revenue from operations) (Consumption in KL/₹ in Crores)	14.48	14.56
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*		
(Total water consumption / Revenue from operations adjusted for PPP)	332.23	333.17
Water intensity in terms of physical output*(Consumption in KL/Output in MT)	0.43	0.45
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Comparatives for the FY 2022-23 has been corrected

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4. Provide the following details related to water discharged:

Parameter	2023-24	2022-23
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
Total water discharged	Nil	Nil

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the External agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

Our manufacturing facilities have an effective zero liquid discharge mechanism. We have installed Sewage Treatment Plants (STPs) at both locations to treat sewage and canteen wastewater. The Hyderabad Plant has an STP capacity of 40 KLD, while the Aurangabad Plant has a capacity of 50 KLD.

The treated water from these plants is utilized for on-site gardening, promoting a sustainable approach to water management. Additionally, the sludge generated undergoes is carefully digested in a controlled wetland area in the STP. The dried sludge is used as fertilizer, reducing waste while promoting eco-friendly practices.

6. Please provide details of air emissions (other than GHG emissions) by the Company

Parameter	Please specify unit	2023-24	2022-23
NOx	Avg mg/Nm3	945.68	969.60
Sox	Avg mg/Nm3	637.24	684.30
Particulate matter (PM)	Avg mg/Nm3	464.63	491.19
Persistent organic pollutants (POP)	Avg mg/Nm3	Nil	Nil
Volatile organic compounds (VOC)	Avg mg/Nm3	NA	NA
Hazardous air pollutants (HAP)	Avg mg/Nm3	NA	NA
Others– please Specify	-	NA	NA

Note: Comparatives for the FY 2022-23 has been restated due to the recomputation of BRSR attributes on the basis of approach and methodology adopted for the disclosure of FY 2023-24.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions			
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) Metric tonnes of CO2 Equivalent	Metric tonnes of CO2 Equivalent	847.40	313.14
Total Scope 2 emissions			
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 Equivalent	8,759.36	9344.61
Total Scope 1 and Scope 2 emission intensity per crore rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)			
		8.00	8.82
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)			
(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		183.46	201.93
Total Scope 1 and Scope 2 emission intensity in terms of physical output			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	0.24	0.27
	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes, LNCO Advisors LLP, Hyderabad.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

The Company has installed 1MW solar plant at its Aurangabad plant, resulting in reduction of greenhouse gas (GHG) emissions of over 1162 MT of CO2 equivalent from electricity consumption.

The Company has undertaken afforestation on 7 acres at its Aurangabad plant and 1 acre at its Hyderabad Plant, this project entails plantation of about 21,500 trees at the Aurangabad Facility and about 15,000 trees at the Hyderabad Facility, which will help enhance the overall air quality, mitigate GHG emissions, regulate temperature and create a better environment in its surroundings.

The Company has started replacing conventional vehicles with electric vehicles, contributing to reducing GHG emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	2023-24	2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	6.51	6.47
E-waste (B)	1.01	1.96
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	48.39	69.53
Battery waste (E)	8.79	3.18
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	5.32	6.13
Other Non-hazardous waste generated (H). Please specify, if any.	31,252.22	31,185.49
(Break-up by composition i.e., by materials relevant to the sector)		
Total (A+B + C + D + E + F + G + H)	31,322.24	31,272.76
Waste intensity per rupee of turnover		
(Total waste generated / Revenue from operations)	26.07	28.43
(Waste generated in MT/Rs In crores)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)		
(Total waste generated / Revenue from operations adjusted for PPP)	598.16	650.66
Waste intensity in terms of physical output		
(Waste Generated in MT/Output in MT)	0.77	0.87
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	2023-24	2022-23
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
a) Plastic waste	6.51	6.47
b) E-waste	1.02	1.96
(ii) Re-used	31,261.00	31,188.67
(iii) Other recovery operations	-	-
Total	31,268.53	31,197.10
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	5.32	6.13
(ii) Land filling	48.39	69.53
(iii) Other disposal operations	-	-
Total	53.71	75.66

Note: Comparatives for the FY 2022-23 has been corrected

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

In the endeavor to develop a sustainable ecosystem, we have been striving to create value by adopting 3R (Reduce, Reuse & Recycle) principles. At our manufacturing facilities, waste is categorized into hazardous and non-hazardous categories. Non-hazardous waste is further categorised as recyclable or non-recyclable. We manage waste in compliance with the OCP for Material Handling, with recyclable waste handled by state-authorised vendors who have been certified by the pollution control board. Battery recycling is facilitated by returning the batteries to the suppliers, whilst e-waste is processed by state authorised recyclers.

This necessitates a constant emphasis on three essential areas:

- Consuming less energy
- Recycling solid and liquid waste
- Recovering carbide, oils, and lubricants

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details

The company does not have any office or plants located around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

None

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances

During the reporting period, there were no cases of non-compliance with applicable laws, regulations, guidelines in India. The Company is complying with all applicable environmental law/regulations/guidelines in India such as Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules made thereunder.

S. No.	Specify the law / regulation guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control	Corrective action taken, if any
		None		

PRINCIPLE 7 BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

Essential Indicators

- a. Number of affiliations with trade and industry chambers/ associations
Five
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Telangana Chamber of Commerce and Industry (FTAPCI)	State
2	Chamber of Marathwada Industries and Agriculture (CMIA)	State
3	Engineering Export Promotion Council (EEPC)	National
4	Indian Electrical & Electronics Manufacturers' Association (IEEMA)	National
5	Indo - German Chamber of Commerce (IGCC)	India and Germany

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities

No cases of anticompetitive conduct reported. There is no action taken or underway against the Company.

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year
Not Applicable
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your Company
Not Applicable
3. Describe the mechanism to receive and redress grievances of the community
Communities can reach out to the Company through mail or written communication for any grievances. The complaints or grievances received from Community is redressed by the respective Departments.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	3.25	2.04
Directly from within India	95.19	89.65

*Input Material includes raw materials, capital expenditure, consumables, services, etc.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	-	-
Semi-Urban	46.54	42.85
Urban	53.46	57.15
Metropolitan	-	-

PRINCIPLE 9 BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback**

Upon receiving a customer complaint, we promptly register and acknowledge it. The Quality Assurance Department studies the issue, prepares an interim reply, and shares it with the Marketing Department within 48 hours. We coordinate with the customer, implement corrective actions, and monitor their effectiveness. Repairs/reworks are conducted as needed, and the Quality Department ensures thorough inspections. The respective departments follow up on recommended corrective actions. We are committed to delivering zero defect products

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, safe and responsible usage, recycling and/or safe disposal

The Company manufactures electrical steel laminations, sub-assemblies for motor & generator cores, die-cast rotors and machined casted & fabricated parts and shafts. The customer uses these parts to build their final product. Therefore, product information is not applicable at this stage.

3. Number of consumer complaints in respect of the following:

	2023-24			2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy						
Advertising						
Cyber- security						
Delivery of essential services		Nil			Nil	
Restrictive Trade Practices						
Unfair Trade Practices						
Others						

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for Recall
Voluntary recalls		
Forced recalls	Nil	Nil

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, Provide a web-link of the policy

Yes. The Company has an internally available policy on cyber security.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not applicable as there have been no reported incidents of such issues to date.

7. Provide the following information relating to data breaches

(a) Number of instances of data breaches	None
(b) Percentage of data breaches involving personally identifiable information of customers	Not Applicable
(c) Impact, if any, of the data breaches	Not Applicable

Report on Corporate Governance

Statement on Company's Philosophy on Code of Governance

Pitti Engineering Limited ("the Company") philosophy on Corporate Governance is led by a strong emphasis on transparency, accountability and integrity and the Company has been practicing these principles of Corporate Governance over the years. Your Company firmly believes that Corporate Governance is an important instrument of investor protection, and essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders.

Board of Directors**Composition of Board**

As on 31st March 2024, the Board has eight Directors, comprising six Independent Directors, (including one Woman Director) and two Promoter Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations.

Meetings of the Board

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 year under review, six meetings of the Directors were held on 29th May 2023, 15th June 2023, 14th August 2023, 9th November 2023, 9th February 2024 and 11th March 2024. The gap between the meetings did not exceed 120 days.

The necessary quorum was present for all the meetings.

Detailed agenda containing management reports and other explanatory statements are circulated to the Board, the minimum information required to be made available to the Board as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations has been placed before the Board for its consideration. Such information is submitted either as part of the agenda papers in advance of the meetings or by way of presentations and discussions during the meetings.

Director's attendance record and their other Directorships / Committee memberships

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and the number of Directorships and Committee Memberships / Chairmanships held by them as on 31st March 2024 is given below.

Name of the Director	Category	Number of Board Meetings attended during the year 2023-24	Whether attended last AGM held on 18.08.2023	Number of Directorships in other Companies	Number of Committees Membership (s)/ Chairmanship(s) held in other public companies\$	Names of the other Listed entities where the person is Director & category of directorship
*Shri Sharad B Pitti Founder & Chairman DIN 00078716	Promoter Executive Director	4	Yes	6	Nil	Nil
**Shri Akshay S Pitti Managing Director & Chief Executive Officer DIN 00078760	Promoter Executive Director	5	Yes	6	Nil	Nil
Shri N R Ganti DIN 00021592	Independent Non-Executive	6	Yes	Nil	Nil	Nil
Shri G Vijaya Kumar DIN 00780356	Independent Non-Executive	6	Yes	Nil	Nil	Nil
Shri M Gopala Krishna DIN 00088454	Independent Non-Executive	6	Yes	6	6 [Incl. 1 as Chairman]	#Soven Life Sciences Limited. Independent Director Olectra Greentech Limited. Independent Director The Andhra Petrochemicals Limited. Independent Director
Ms. Gayathri Ramachandran DIN 02872723	Independent Non-Executive	6	Yes	Nil	Nil	Nil
Shri S Thiagarajan DIN 02721001	Independent Non-Executive	6	Yes	Nil	Nil	Nil
Shri Y B Sahgal DIN 01622420 Appointed w.e.f. 09.11.2023	Independent Non-Executive	3	Yes	Nil	Nil	Nil

*Shri Sharad B Pitti, Chairman & Managing Director was re-designated as Founder & Chairman w.e.f 15th May 2024

**Shri Akshay S Pitti, Vice-Chairman & Managing Director (DIN 00078760) was re-designated as Managing Director & Chief Executive Officer w.e.f 15th May 2024

#Retired on completion of second term as Independent Director from the Board of Suven Life Sciences Limited on 31.03.2024 (Close of business hours)

\$In accordance with Regulation 26 of the Listing Regulations, Membership(s) / Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all other public limited companies have been considered.

Necessary disclosures regarding Directorship, Committee Membership / Chairmanship have been made by the Directors. The number of directorship(s), committee membership(s) / chairmanship(s) of all Directors is within the respective limits prescribed under the Companies Act, 2013 and the SEBI Listing Regulations.

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

Board's skills / expertise / competencies

The Board comprises of qualified members who bring the required skills, expertise and competence on the following matrix which allows the Company to carry its business efficiently.

- Governance and Board Services
- Business Understanding
- Risk/Legal/Regulatory Compliance
- Information Technology/Accounting/Financial Experience
- Industry/Sector knowledge
- Strategy development and implementation

The matrix setting out the skills/expertise/competence of the Board of Directors is as under

Sl. No.	Name of the Director	Category	Skills/Expertise/Competence of the Directors					Strategy Development and Implementation
			Governance and Board Service	Business Understanding	Risk/Legal/Regulatory Compliance	Information Technology/Accounting/Financial Experience	Industry/Sector Knowledge	
1	Shri Sharad B Pitti	Founder & Chairman	✓	✓	✓		✓	✓
2	Shri Akshay S Pitti	Managing Director & Chief Executive Officer	✓	✓		✓	✓	✓
3	Shri N R Ganti	Non-Executive Independent Director	✓	✓	✓	✓		✓
4	Shri G Vijaya Kumar	Non-Executive Independent Director	✓	✓	✓	✓		
5	Shri M Gopalakrishna	Non-Executive Independent Director	✓	✓	✓		✓	✓
6	Ms. Gayathri Ramachandran	Non-Executive Independent Director	✓	✓			✓	✓
7	Shri S Thiagarajan	Non-Executive Independent Director	✓	✓	✓	✓		✓
8	Shri Y B Sahgal	Non-Executive Independent Director	✓	✓		✓	✓	✓

Meeting of the Independent Directors

During the year under review, two separate meeting of the Independent Directors were held on 19th May 2023 and 15th June 2023 without the presence of Non- Independent Directors and members of Management. The meetings were attended by all the Independent Directors. At the meeting held on 19th May 2023, the Independent Directors discussed matters pertaining to the Company's affairs and reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole, and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board for effective functioning of the Board and performance of its duties. At the meeting held on 15th June 2023, the Independent Directors discussed the proposed scheme of amalgamation among Pitti Casting Private Limited, Pitti Rail and Engineering Components Limited with the Company and on satisfaction that the scheme is not detrimental to the shareholders of the Company had recommended the same for favourable consideration and approval of the Board.

Confirmation from the Board

The Board of Directors verified the veracity of declarations given by the Independent Directors and in the opinion of Board, the Independent Directors fulfil the conditions specified by the Companies Act, 2013 and SEBI Listing Regulations and are independent from the Management.

During the year under review, there has been no resignation of Independent Directors. Shri Yogender Bahadur Sahgal was inducted into the Board of Directors as Independent Director.

Familiarisation programme

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Site visits to various plant locations are organised for the Independent Directors to enable them to understand and become acquainted with the operations of the Company. The details of the familiarisation programme for Independent Directors is available on the Company's website <https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2023/Familiarisation%20Programme%20for%20Independent%20Directors%2026082024.pdf>.

Senior Management

In terms of Regulation 16(1)(d) of SEBI Listing Regulations, details of senior management personnel of the Company as on 31st March 2024 are provided below.

Name	Designation as on 31st March 2024	Re-designated w.e.f 15th May 2024
Shri Sandip Agarwala	President – Operations & Marketing	COO – Motor & Generator Components Business
Shri Varun Agarwal	President – Banking & Railway Business	COO–Machined Components Business
Shri Rishab Gupta	President – Procurement Projects & IT	Chief Procurement & Technology Officer
Shri M Pavan Kumar	Chief Financial Officer	
Ms. Mary Monica Braganza	Company Secretary & Compliance Officer	Company Secretary & Chief Compliance Officer

During the year under review, there were no changes in senior management personnel as none of them has resigned and no other senior management personnel appointed.

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 & ethics for Directors & senior management
- Code for independent Directors
- Corporate social responsibility policy
- Remuneration policy
- Policy for preservation of documents
- Policy for determining the materiality of an event
- Dividend distribution policy
- Insider trading policy
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Vigil mechanism / Whistle blower policy
- Policy and Procedure of enquiry in case of leak of unpublished price sensitive information
- Policy for determining material subsidiaries
- Policy on related party transactions
- Risk Management Policy

The above policies are available on the website of the Company at https://www.pitti.in/investor_desk/investors_d_p.php under the head Investors Desk.

Equity shares and convertible instruments held by Directors

The number of equity shares held by Executive and Non-Executive Directors as on 31st March 2024 is given below:

Name	Equity shares
Shri Sharad B Pitti	43,49,926
Shri Akshay S Pitti	42,28,414
Shri N R Ganti	1,600
Shri G Vijaya Kumar	20
Shri M Gopalakrishna	Nil
Ms. Gayathri Ramachandran	Nil
Shri S Thiagarajan	Nil
Shri Y B Sahgal	Nil

Shri Chaitra Sundaresh was appointed Deputy Chief Operating Officer w.e.f 15th May 2024 and is covered under senior management personnel.

Committees of the Board

Audit Committee

The Audit Committee comprises entirely of Independent Directors. All members of the Audit Committee have accounting, financial and management expertise. The Chairman of the Committee attended the AGM held on 18th August 2023 to answer the shareholders queries.

During the year under review, the Committee met six times on the following dates:

29th May 2023, 15th June 2023, 14th August 2023, 9th November 2023, 9th February 2024 and 11th March 2024.

The gap between the meetings did not exceed 120 days.

The below table gives the composition and attendance record of the Audit Committee.

Name	Category	Position	Number of meetings	
			Held	Attended
Shri S Thiagarajan	Independent Director	Chairman	6	6
Shri N R Ganti	Independent Director	Member	6	6
Shri G Vijaya Kumar	Independent Director	Member	6	6

The Chief Financial Officer, Statutory Auditors, Internal Auditors are permanent invitees to the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The terms of reference of the Audit Committee include the matters as specified in Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI Listing Regulations as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
- Reviewing along with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval of any subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity, whenever it is necessary.
- Evaluation of internal financial controls and risk management systems
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

g) Modified opinion(s) in the draft audit report.

- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 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.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the functioning of the Whistle Blower mechanism.
- Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- 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.

The Audit Committee shall mandatorily review the following information

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
- Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(7) of the SEBI Listing Regulations.
 - Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Committee's composition is in compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Chairman of the Committee attended the AGM held on 18th August 2023 to answer the shareholders queries.

During the year under review, the Committee met on 19th May 2023 and 9th November 2023.

The below table gives the composition and attendance record of the Nomination and Remuneration Committee.

Name	Category	Position	Number of meetings	
			Held	Attended
Shri M Gopalakrishna	Independent Director	Chairman	2	2
Ms. Gayathri Ramachandran	Independent Director	Member	2	2
Shri G Vijaya Kumar	Independent Director	Member	2	2

The terms of reference include the matters as specified in Section 178 of the Companies Act, 2013 and amended Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
 - For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate

the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Administer Employee Stock Option Schemes of the Company.
- 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.

Performance evaluation criteria for Independent Directors

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

Remuneration Policy

The key objective of the Remuneration policy is to enable a framework that allows for competitive and fair rewards for the achievement of key deliverables and also align with practice in the industry and shareholders expectations.

The Policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company is available on the Company's website at [https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2020/Remunerattion%20Policy%20\(Effective%20from%20April%201,%202019\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2020/Remunerattion%20Policy%20(Effective%20from%20April%201,%202019).pdf)

Remuneration of Directors

The details of remuneration to the Directors for the financial year ended 31st March 2024.

Name	Salary	Benefits & Allowances	Sitting Fees	Total
				₹ in lakhs
Shri Sharad B Pitti	98.78	-	-	98.78
Shri Akshay S Pitti	93.94	4.84	-	98.78
Shri N R Ganti	-	-	5.50	5.50
Shri G Vijaya Kumar	-	-	7.25	7.25
Shri M Gopalakrishna	-	-	4.50	4.50
Ms. Gayathri Ramachandran	-	-	4.50	4.50
Shri S Thiagarajan	-	-	5.50	5.50
Shri Y B Sahgal	-	-	1.50	1.50

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. Presently the Company does not have any scheme for grant of stock options either to the Directors or to the Employees of the Company. The services of the Founder & Chairman and Managing Director & Chief Executive Officer are governed by the resolutions as approved by the Members in the general meeting. There is no separate provision for payment of severance fees and notice period for termination of services. There was no remuneration or commission paid to the Directors from the Subsidiary Company.

Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors of the Company would be paid sitting fees as approved by the Board of Directors within

the permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings of the Board and Committees thereof. During the financial year 2023-24, the Non-Executive Directors were paid Sitting fee of ₹ 50,000 for attending each meeting of the Board of Directors and ₹ 25,000 for attending each meeting of the Committees. The Independent Directors were paid a fee of ₹ 25,000 each for the separate meeting of the Independent Directors.

Stakeholders Relationship Committee

The Committee's composition and terms of reference are in compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

During the year under review, the Committee met on 26th December 2023 and 27th March 2024.

The below table gives the composition and attendance record of the Stakeholders Relationship Committee.

Name	Category	Position	Number of meetings	
			Held	Attended
Ms. Gayathri Ramachandran	Independent Director	Chairman	2	2
Shri M Gopalakrishna	Independent Director	Member	2	2
Shri N R Ganti	Independent Director	Member	2	2
Shri S Thiagarajan	Independent Director	Member	2	2

The terms of reference include the matters as specified in Section 178 of the Companies Act, 2013 and amended Regulation 20 of the SEBI Listing Regulations. The terms of reference of Stakeholders Relationship Committee include:-

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, nonreceipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend

warrants/ annual reports/statutory notices by the shareholders of the Company.

- Approve issue of the Company's duplicate share / debenture certificates.
- 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.

Name, designation and address of Compliance Officer:

Ms. Mary Monica Braganza
Company Secretary & Chief Compliance Officer
Pitti Engineering Limited
6-3-648/401, IV Floor
Padmaja Landmark
Somajiguda
Hyderabad – 500 082
Ph: 040-23312774
Email: shares@pitti.in

The status of the complaints received during the year ended 31st March 2024 is as follows

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	8	8	Nil

All the complaints have been disposed of to the satisfaction of the complainant(s).

Corporate Social Responsibility Committee

The Committee's composition and terms of reference are in compliance with the provisions of section 135 of the Companies Act, 2013.

During the year under review, the Committee met on 29th May 2023

The below table gives the composition and attendance record of the Corporate Social Responsibility Committee

Name	Category	Position	Number of meetings	
			Held	Attended
Shri Sharad B Pitti	Promoter Executive Director	Chairman	1	0
Shri Akshay S Pitti	Promoter Executive Director	Member	1	1
Shri G Vijaya Kumar	Independent Director	Member	1	1

The terms of reference include the matters as specified in Section 135 of the Companies Act, 2013

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the provisions of applicable laws.
- Recommend the amount of expenditure to be incurred on CSR Activities.
- Monitor the CSR Policy of the Company from time to time.
- Formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR policy.

Risk Management Committee

The Committee's composition and terms of reference are in compliance with the provisions of Regulation 21 of SEBI Listing Regulations.

During the year under review, the Committee met two times on the following dates: 14th September 2023 and 11th March 2024.

The below table gives the composition and attendance record of the Risk Management Committee

Name	Category	Position	Number of meetings	
			Held	Attended
Shri G Vijaya Kumar	Independent Director	Chairman	2	2
Shri Akshay S Pitti	Promoter Executive Director	Member	2	2
Shri Sandip Agarwala	President – Operations & Marketing	Member	2	2

The terms of reference include the matters as specified in Regulation 21 of SEBI Listing Regulations.

1. Formulate a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- Measures for risk mitigation including systems and processes for internal control of identified risks.
- Business continuity plan

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;

6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

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.

Committee of Directors

The Committee of Directors conducts the business in respect of matters in the ordinary course of business not specifically reserved to be exercised by the Board, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee.

During the year under review, the Committee met four times on the following dates:

18th July 2023, 29th September 2023, 26th December 2023, 30th March 2024

The below table gives the composition and attendance record of the Committee of Directors.

Name	Category	Position	Number of meetings	
			Held	Attended
Shri Sharad B Pitti	Promoter Executive Director	Chairman	4	3
Shri Akshay S Pitti	Promoter Executive Director	Member	4	4
Shri Shri G Vijaya Kumar	Independent Director	Member	4	4

General Body Meetings

Annual General Meetings

Year	Date & Time	Venue	Special Resolutions
2020-21	24.09.2021 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	None
2021-22	23.09.2022 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	1. Appointment of Shri D V Aditya (DIN:02847635) as an Independent Director
2022-23	18.08.2023 4.00 pm	Through Video Conferencing / Other Audio-Visual Means	None

Meetings convened by the National Company Law Tribunal

As per the directions of the Hon'ble National Company Law Tribunal, Hyderabad Bench (NCLT), the following meetings were held during the year ended 31st March 2024

Meetings	Date & Time	Venue	Resolutions
NCLT convened meeting of Unsecured creditors	22nd March 2024 11:00 am	The Synergy Hall at Hotel Taj Deccan, Road No.1, Banjara Hills, Hyderabad – 500034	Approving the Scheme of Amalgamation amongst Pitti Castings Private Limited and Pitti Rail and Engineering Components Limited and the Company and their respective Shareholders and Creditors, under Sections 230 to 232 of the Companies Act, 2013 and the rules framed thereunder (the "Scheme of Amalgamation" or the "Scheme").
NCLT convened meeting of Equity Shareholders	22nd March 2024 5:00 pm	Through Video Conferencing / Other Audio-Visual Means	Approving the Scheme of Amalgamation amongst Pitti Castings Private Limited and Pitti Rail and Engineering Components Limited and the Company and their respective Shareholders and Creditors, under Sections 230 to 232 of the Companies Act, 2013 and the rules framed thereunder (the "Scheme of Amalgamation" or the "Scheme").

Postal ballot during the last three years

Details of postal ballot conducted during the last three years is as below:

Year	No of postal ballots conducted	Details of resolution and voting pattern																																													
2021-22	One	<p>Business transacted:</p> <ol style="list-style-type: none"> Special resolution to approve the increase in borrowing limits of the Company. <table border="1"> <thead> <tr> <th>Particulars</th> <th>No of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>1,91,66,121</td> <td>99.98</td> </tr> <tr> <td>Votes cast against</td> <td>3,667</td> <td>0.02</td> </tr> <tr> <td>Total valid votes</td> <td>1,91,69,788</td> <td>100.00</td> </tr> <tr> <td>Invalid votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Special resolution to approve creation of security on the properties of the Company in favour of lenders. <table border="1"> <thead> <tr> <th>Particulars</th> <th>No of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>1,91,65,276</td> <td>99.98</td> </tr> <tr> <td>Votes cast against</td> <td>4,712</td> <td>0.02</td> </tr> <tr> <td>Total valid votes</td> <td>1,91,69,988</td> <td>100.00</td> </tr> <tr> <td>Invalid votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Special resolution to approve the related party transactions <table border="1"> <thead> <tr> <th>Particulars</th> <th>No of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>1,60,621</td> <td>95.01</td> </tr> <tr> <td>Votes cast against</td> <td>8,440</td> <td>4.99</td> </tr> <tr> <td>Total valid votes</td> <td>1,69,061</td> <td>100.00</td> </tr> <tr> <td>Invalid votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Particulars	No of shares	%	Votes cast in favour	1,91,66,121	99.98	Votes cast against	3,667	0.02	Total valid votes	1,91,69,788	100.00	Invalid votes	-	-	Particulars	No of shares	%	Votes cast in favour	1,91,65,276	99.98	Votes cast against	4,712	0.02	Total valid votes	1,91,69,988	100.00	Invalid votes	-	-	Particulars	No of shares	%	Votes cast in favour	1,60,621	95.01	Votes cast against	8,440	4.99	Total valid votes	1,69,061	100.00	Invalid votes	-	-
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The shareholders approved the said resolution(s) with requisite majority on 26th March 2022 and the results were declared on 28th March 2022. Shri Ajay Kishen, Practising Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.

Year	No of postal ballots conducted	Details of resolution and voting pattern															
2022-23	One	<p>Business transacted:</p> <p>1. Special resolution to approve the re-appointment of Shri Sharad B Pitti as Chairman & Managing Director</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>No of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>1,97,26,763</td> <td>99.94</td> </tr> <tr> <td>Votes cast against</td> <td>11,643</td> <td>0.06</td> </tr> <tr> <td>Total valid votes</td> <td>1,97,38,406</td> <td>100.00</td> </tr> <tr> <td>Invalid votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The shareholders approved the said resolution with requisite majority on 7th July 2022 and the results were declared on 8th July 2022. Shri Ajay Kishen, Practicing Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.</p>	Particulars	No of shares	%	Votes cast in favour	1,97,26,763	99.94	Votes cast against	11,643	0.06	Total valid votes	1,97,38,406	100.00	Invalid votes	-	-
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Total valid votes	1,97,38,406	100.00															
Invalid votes	-	-															
2023-24	One	<p>Business transacted:</p> <p>1. Special resolution to approve the appointment of Shri Yogender Bahadur Sahgal as an Independent Director</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>No of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Votes cast in favour</td> <td>1,99,77,318</td> <td>96.20</td> </tr> <tr> <td>Votes cast against</td> <td>7,88,826</td> <td>3.80</td> </tr> <tr> <td>Total valid votes</td> <td>2,07,66,144</td> <td>100.00</td> </tr> <tr> <td>Invalid votes</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The shareholders approved the said resolution with requisite majority on 27th December 2023 and the results were declared on 28th December 2023. Shri Ajay Kishen, Practicing Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.</p>	Particulars	No of shares	%	Votes cast in favour	1,99,77,318	96.20	Votes cast against	7,88,826	3.80	Total valid votes	2,07,66,144	100.00	Invalid votes	-	-
Particulars	No of shares	%															
Votes cast in favour	1,99,77,318	96.20															
Votes cast against	7,88,826	3.80															
Total valid votes	2,07,66,144	100.00															
Invalid votes	-	-															

There is no proposal to conduct postal ballot for any matter in the ensuing 40th Annual General Meeting.

Procedure for postal ballot

In compliance with the Listing Regulations and section 108, 110 and other applicable provisions of the Act, read with applicable rules, made thereunder read with the General Circular Nos 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020 read with other relevant circulars including General Circular No.09/2023 dated 25th September 2023 issued by the Ministry of Corporate Affairs, the Notices of Postal Ballot were sent in electronic form only to the shareholders to their email ids registered with the Depository Participants/Registrar and share transfer agents. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its shareholders.

The voting rights were reckoned on the paid-up value of the shares registered in the name of the shareholder as of the cut-off date. Shareholders desiring to exercise their votes by electronic mode were requested to vote before the close of business hours on the last day of e-voting. The last date specified by the Company for receipt of e-voting is deemed to be the date of passing of the resolution.

The scrutinizer submits his report to the Chairman of the Board of Directors or any person authorized by him, the consolidated results of the voting are then announced. The results are displayed on the website of the Company i.e. www.pitti.in besides being communicated to the stock exchanges and NSDL.

Disclosures

a) Related party transactions

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

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. The details of related party

transactions are provided in Note 25.14 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 related party transactions and dealing with related party transactions is put up on the Company's website and can be accessed at [https://www.pitti.in/investordesk/Docs/Client/CLT1/Policy%20on%20Related%20Party%20Transaction%20\(Effective%20from%20April%201,%202022\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/Policy%20on%20Related%20Party%20Transaction%20(Effective%20from%20April%201,%202022).pdf)

b) Details of Non-compliances

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital markets during the last three years.

c) Vigil mechanism / Whistle blower policy

The Company has adopted the whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations for the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. During the year under review, no personnel was denied access to the Audit Committee.

d) Subsidiary

The Company has one unlisted wholly owned subsidiary viz., Pitti Rail and Engineering Components Limited which was incorporated on 5th October 2020. The Subsidiary is not a material subsidiary in terms of SEBI Listing Regulations. The financial statements, significant transactions, investments and the minutes of the Board Meetings of the subsidiary Company are considered at the meetings of the Audit committee / Board of the Company as required under Regulation 24 of SEBI Listing Regulations.

The Company has framed a policy for determining material subsidiary and the same is available on Company's website at [https://www.pitti.in/investordesk/Docs/Client/CLT1/Policy%20for%20Determining%20Material%20Subsidiary%20\(Effective%20from%20April%201,%202019\).pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/Policy%20for%20Determining%20Material%20Subsidiary%20(Effective%20from%20April%201,%202019).pdf)

e) Commodity price risk or foreign exchange risk and hedging activities

The Company generally has a price variation clause with all its customers which broadly mitigates the commodity price risk. However, as the price variation clause is fixed on a quarterly basis, there is a risk on carrying inventory for the quarterly variance in the commodity price. During the year under review the Company has not undertaken any commodity hedging activities.

The Company is a net foreign exchange earner and thus faces foreign currency fluctuation risk. The Company tries to minimise the risk through natural hedge via foreign

currency liabilities to the extent possible. For the balance, looking at the trend the Company may keep its position open or hedge the same. The Company reviews its foreign currency risks and evaluates the same on a periodic basis.

f) Utilisation of funds raised through preferential allotment or qualified institutions placement.

During the year under review the Company has not raised any funds through preferential allotment or qualified institutions placement.

g) Certificate from Company Secretary in Practice with regard to disqualification of Directors

A Certificate from Shri Ajay Kishen, Practicing Company Secretary certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company is annexed to this report.

h) Details of recommendation of any Committee of the Board which are not accepted by the Board.

The Board of Directors accepted all the recommendation(s) of the Committees of the Board during the financial year ended 31st March 2024.

i) Details of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.

Particulars	₹ in lakhs
	FY 2023-24
Audit fees	15.25
Tax audit fees	5.25
Certification fee / taxation matter	16.05
Out of pocket expenses	1.30

j) Disclosure of complaints received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the year, no complaints were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

k) Loans and advances in the nature of loans to firms/companies in which directors are interested

During the year, the Company nor its subsidiaries have given any loans and advances in the nature of loans to firms/companies in which directors are interested.

l) Adoption of Mandatory and Non-Mandatory Requirements

Your Company has complied with all applicable mandatory requirements of the SEBI Listing Regulations. The Company also complies with the following nonmandatory requirements of Regulation 27 (1) of the SEBI Listing Regulations:

The financial statements for the year ending 31st March 2024 do not contain any audit qualification. The internal auditor reports to the Audit Committee.

m) The Disclosure of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 and regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Employees including Senior Management personnel, Key Managerial Personnel, Directors and Promoters	Yes
27	Other Corporate Governance Requirements	Yes
46	Disclosures on website	Yes

n) Disclosure of accounting treatment

The Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standard (Ind As), notified under the Companies (Indian Accounting Standard) Rules, 2015 and the relevant provisions of Companies Act, 2013.

o) Risk management

Business risk evaluation and management is an ongoing process within the Company. The risk assessment and mitigation are periodically examined by the Board. The Board of Directors also reviews the reports of compliance to all applicable laws and regulations on a quarterly basis.

p) Disclosure of agreements binding listed entities

There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company

presentations and schedule of analyst or institutional investors meet are also put on the Company's website.

Website

The Company's website (www.pitti.in) contains comprehensive information about the Company, its business and operations. A separate dedicated section 'Investor Desk' is available which gives information on shareholding pattern, financial results and other relevant information of interest to the investors. The Company's annual report is also available in downloadable form on the Company's website.

General Shareholder Information

Company Registration details

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

Annual General Meeting for the Financial Year 2023-24

Day & Date	Friday, 20th September 2024
Time	4:00 P.M
Venue	The AGM will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") only

Financial Calendar

Financial Year	: 1st April to 31st March
Tentative calendar for declaration of results for quarter ending 30th June 2024	: on or before 14th August 2024
30th September 2024	: on or before 14th November 2024
31st December 2024	: on or before 14th February 2025
31st March 2025	: on or before 30th May 2025
Book Closure	: From 14th September 2024 to 20th September 2024 [both days inclusive]

Means of Communication

Quarterly results and filings

The approved financial results are filed with the Stock Exchanges and are published in Business Line, a national level English newspaper as well as in Andhra Prabha, a regional language newspaper circulating in the state of Telangana. The financial results of the Company are provided on the Company's website www.pitti.in and are also available on the websites of BSE Limited and National Stock Exchange of India Limited viz www.bseindia.com and www.nseindia.com.

All periodical compliance filings like the quarterly results, corporate governance report, shareholding pattern, quarterly compliances, official news releases and other corporate communication are made electronically in the BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) and are also put on the Company's website.

Presentations to institutional investors / analysts

Presentations are made to institutional investors and financial analysts on the Company's financial results. These

Dividend

Dividend	Amount and %	Date of Declaration	Date of Payment
Proposed Final Dividend subject to the approval of members at the ensuing AGM	₹ 1.50/- (30%)	At the ensuing AGM	Within 30 days from the date of declaration.

Listing information

The Company's equity shares are listed on the following Stock Exchanges

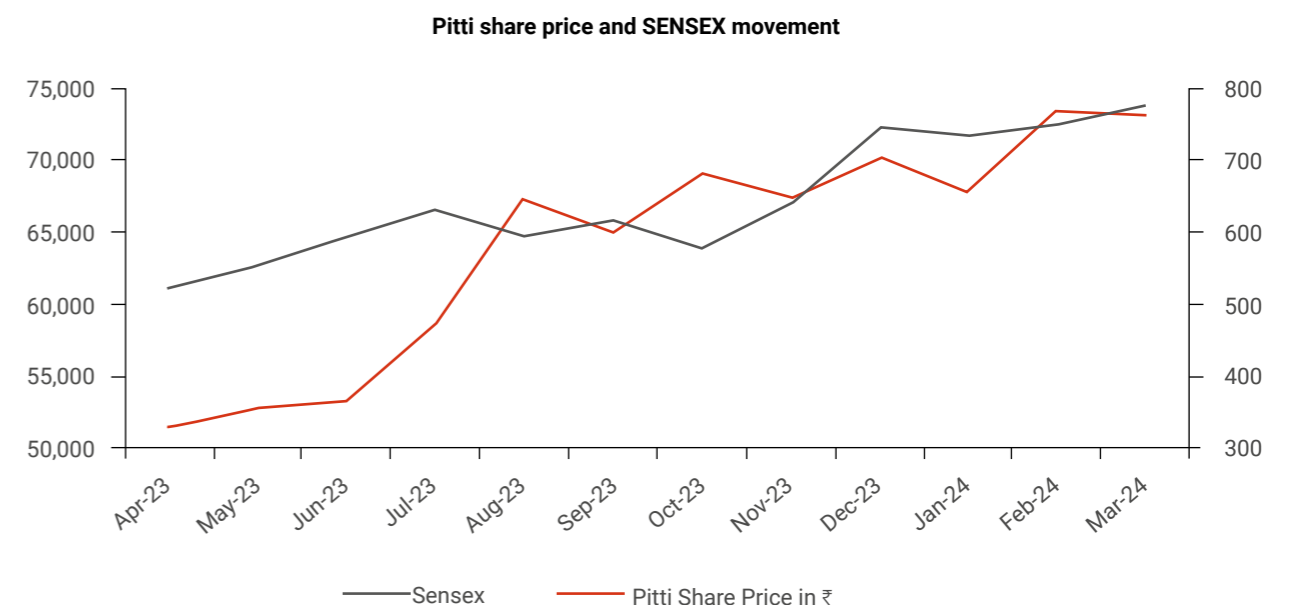
Name and address of the Stock Exchange	Stock Code
BSE Limited	513519
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	
National Stock Exchange of India Limited	PITTIENG
Exchange Plaza, Bandra-Kurla,Complex, Bandra (E), Mumbai 400 051	

The Company has paid the requisite annual listing fees to both the Stock Exchanges for the financial year 2024-25. The securities of the Company have never been suspended from trading.

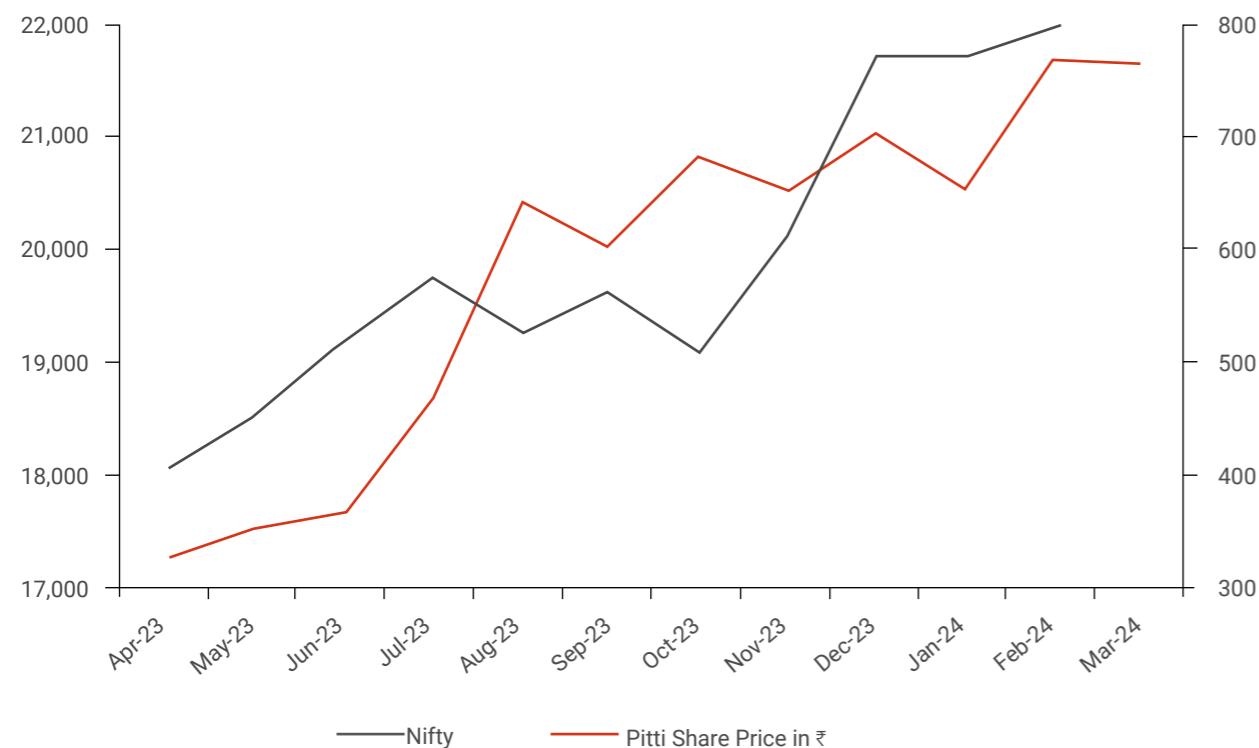
Stock market price data

Month	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High price	Low price	Volume (Nos)	High price	Low price	Volume (Nos)
	₹	₹		₹	₹	
April 2023	332.80	271.80	2,96,148	330.00	271.85	16,35,036
May 2023	370.00	320.50	4,72,208	369.85	320.25	28,92,181
June 2023	392.00	349.65	5,45,060	389.00	350.15	38,73,255
July 2023	488.00	365.00	5,77,477	488.30	364.50	41,56,110
August 2023	662.65	475.45	5,15,202	664.00	476.00	54,83,480
September 2023	665.10	542.80	4,73,025	666.00	541.40	29,08,691
October 2023	725.00	580.00	3,72,188	726.00	584.25	37,55,387
November 2023	735.55	642.75	1,82,200	734.65	643.20	27,89,491
December 2023	748.00	652.85	3,39,209	748.70	653.45	38,18,714
January 2024	730.50	633.30	1,74,307	730.65	632.90	18,07,081
February 2024	808.70	622.00	4,16,943	808.20	623.00	44,34,126
March 2024	817.75	663.30	1,82,089	817.00	663.55	24,52,338

Close share price performance in comparison to broad based indices –NSE Nifty and BSE Sensex



Pitti share price and NIFTY movement



Registrar and share transfer agents

XL Softech Systems Limited
Plot No. 3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad - 500 034
Ph: +91 40 23545913 / 14 / 15
Email: xlfield@gmail.com

Share transfer system

As per Regulation 40 of SEBI Listing Regulations, as amended, shares of the Company can be transferred only in dematerialised form with effect from, 1st April 2019.

Members may please note that SEBI, vide its Circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/PICIR/2022/8 dated 25th January 2022, has mandated all listed companies to issue securities in demat form only while processing service requests viz.

Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement: Sub division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at https://www.pitti.in/investor_desk/investors_si_f_srf.php and on the website of the Company's RTA. It may be noted that any service request can be processed only after the folio is KYC compliant. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them

in physical form. Members can contact the Company or RTA, for assistance in this regard.

Distribution of shareholding as on 31st March 2024

Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	41,633	95.16	25,02,192	7.81
5001 to 10000	1,047	2.39	8,19,471	2.56
10001 to 20000	506	1.16	7,59,893	2.37
20001 to 30000	161	0.37	4,11,526	1.28
30001 to 40000	86	0.20	3,09,356	0.97
40001 to 50000	53	0.12	2,46,671	0.77
50001 to 100000	135	0.31	9,69,157	3.02
Above 100000	129	0.29	2,60,31,801	81.22
Total	43,750	100	3,20,50,067	100.00

Distribution of shareholding as on 31st March 2024

Category	No. of Shares	%
Promoters & Promoter group	19001227	59.29
Individuals	8023499	25.02
Body Corporates	1703512	5.32
Insurance Companies	1099599	3.43
NRI	474788	1.48
HUF	402619	1.26
Alternate Investment Funds	400350	1.25
IEPF	397217	1.24
Mutual Funds	384161	1.20
Foreign Portfolio Investors	161275	0.50
Independent Directors	1620	0.01
Trusts	200	0.00
Total	32050067	100.00

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.48% of the Company's equity share capital are dematerialised as on 31st March 2024. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE450D01021.

Mode of holding	No. of Shares	%
NSDL	2,64,22,609	82.44
CDSL	54,59,210	17.03
Physical	1,68,248	0.53
Total	3,20,50,067	100.00

The annual custody/issuer fee for the financial year 2024-25 has been paid by the Company to Central Depository Services Limited and National Securities Depository Limited, within the due date.

The Company confirms that the entire Promoter's holdings are in electronic form and the same is in line with the directions issued by SEBI.

Updation of PAN, KYC details and Nomination

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated 16th March 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/ CIR/2024/37 dated 7th May 2024), in supersession of earlier Circular(s) issued on the subject, has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details. As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the said details are not available would be eligible for lodging grievance or any

Plant locations

Gut No.194, Limbe Jalgaon Village, Gangapur Mandal, Aurangabad District-431133 Maharashtra, India	Survey No.1837 & 1838, Jingoniguda Road, Nandigaon Village & Mandal Ranga Reddy District – 509 223 Telangana, India	Survey No.1837, Jingoniguda Road, Nandigaon Village & Mandal Ranga Reddy District – 509 223 Telangana, India	Survey No.1603 & 1607, Nandigaon Village & Mandal, Ranga Reddy District – 509 223 Telangana, India
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service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically with effect from 1st April 2024 upon registering the required details. If a shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she/they may submit the same in the prescribed form.

Shareholders holding shares in demat form who have not furnished nomination nor have submitted declaration for opting out of nomination, are required to register or opt out from nomination, as the case may be, on or before 30th June 2024, failing which their demat account shall be frozen for debits. The relevant Circular(s) and necessary forms in this regard have been made available on the website of the Company at www.pitti.in. Accordingly, the members are advised to register their details with the RTA or DPs, in compliance with the aforesaid SEBI guidelines for smooth processing of their service requests and trading without any hindrances.

Dispute Resolution Mechanism at Stock Exchanges

In terms of SEBI Circular Nos. SEBI/HO/OIAE/OIAE_ IAD-1/P/ CIR/2023/131 dated 31st July 2023, as further amended by the Corrigendum cum Amendment circular No. SEBI/HO/OIAE/ OIAE_IAD1/P/CIR/2023/135 dated 4th August 2023 and the Master Circular No. SEBI/HO/OIAE/OIAE_IAD3/P/ CIR/2023/195, SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. In terms of the said circulars, the investors, after duly exhausting their option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

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

The Company does not have any outstanding GDRs/ADRs / Convertible Instruments as on 31st March 2024.

Address for correspondence

For shares held in physical form	For shares held in demat form
XL Softech Systems Limited 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad – 500 034 Ph: +91 40 23545913 / 14 / 15 Email: xffield@gmail.com	To the Depository Participant
For query on Annual Report	For investor grievances
Ms. Mary Monica Braganza Company Secretary & Chief Compliance officer Pitti Engineering Limited 6-3-648/401, IV Floor Padmaja Landmark Somajiguda Hyderabad – 500 082 Ph: 040-23312774 Email: shares@pitti.in	Email: shares@pitti.in

Credit Ratings

During the year under review, India Ratings and Research Private Limited has upgraded the rating outlook to Stable from Positive with IND A / Stable / IND A1 for long-term issuer rating and IND A / Stable for short term rating.

Unclaimed Dividend

Sections 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“the Rules”) mandates that companies transfer dividend that has remained unclaimed for a period of seven years from the unpaid dividend account to the Investors’ Education and Protection Fund (IEPF). Further the rules mandate that the shares on which dividend has not been paid or claimed for seven consequent years or more be transferred to IEPF.

The below table provides the details of unclaimed dividends that would become eligible to be transferred to the IEPF on the dates mentioned below:

Financial Year	Date of Declaration	Due date for transfer
2021-22 First Interim	05.08.2021	10.09.2028
2021-22 Second Interim	08.11.2021	14.12.2028
2021-22 Third Interim	11.02.2022	19.03.2029
2021-22 Final	23.09.2022	29.10.2029
2022-23 Interim	14.02.2023	22.03.2030
2022-23 Final	18.08.2023	23.09.2030

Those members who have not encashed their dividend for the aforesaid years are requested to claim it from the Company or XL Softech Systems Limited, the Registrars and Share Transfer Agents.

The details of the unpaid / unclaimed amounts lying with the Company is available on the website of the Company at www.pitti.in.

Unclaimed dividend and equity shares transferred to the Investor Education and Protection Fund

The Shareholders may claim their unclaimed dividend for the years prior to the financial year 2014-15 and the corresponding shares, from the IEPF Authority by making an online application to the IEPF authority in web form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in, the access link of which is also available on the Company’s website www.pitti.in under the section ‘Investor Desk’.

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares.

Equity shares in the suspense account

In accordance with the requirement of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholder and the outstanding shares lying in the unclaimed suspense account as on 1stApril 2023	115	27,600
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	1	200
Number of shareholders to whom the shares were transferred from the unclaimed suspense account during the year	1	200
Number of shareholders whose shares were transferred from unclaimed suspense account to IEPF account as per section 124 of the Companies Act, 2013	-	-
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31st March 2024	114	27,400

In terms of SEBI circular dated 25th January 2022, the Company has issued letter of confirmations in lieu of the original share certificates reported lost. In compliance with SEBI guidelines dated 30th December 2022, the company has opened an unclaimed securities suspense escrow account and details of equity shares in the account are as follows:

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholder and the outstanding shares lying in the unclaimed securities suspense escrow account as on 1stApril 2023	1	200
Number of shareholders who approached the Company for transfer of shares from the unclaimed securities suspense escrow account during the year	1	200
Number of shareholders to whom the shares were transferred from the unclaimed securities suspense escrow account during the year	1	200
Aggregate number of shareholders and the outstanding shares lying in the unclaimed securities suspense escrow account as on 31st March 2024	0	0

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

The dividend on the shares in the unclaimed suspense account will be remitted to the shareholders on their claiming the shares, till which time, the dividend will be available in the unpaid dividend bank account for a period of 7 years from date of transfer to respective accounts.

Compliance certificate of the Auditors

Certificate from the Company’s Auditors Talati & Talati LLP, 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 2024.

For and on behalf of the Board of Directors

Sharad B Pitti

Founder & Chairman

DIN: 00078716

Place : Hyderabad

Date : 15th May 2024

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) read with Schedule V Para-C Sub clause (10) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
Pitti Engineering Limited,
Hyderabad.

I, Ajay Kishen, Practicing Company Secretary, have examined the relevant registers, records, forms returns and disclosures received from the Directors of Pitti Engineering Limited (CIN: L29253TG1983PLC004141) having its Registered office at IV Floor, Padmaja Landmark, 6-3-648/401, Somajiguda, Hyderabad – 500 082, Telangana (hereinafter referred to as “the Company”) produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my knowledge and according to the verification (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanation furnished to me by the Company and its officers. I hereby certify that none of the Directors as stated below for the financial year ending on 31st March 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

Sl. No.	Director Identification Number	Name of the Director	Date of Appointment in Company
1.	00078716	Shri Sharad Badrivishal Pitti	17-Sep-1983
2.	00078760	Shri Akshay Sharad Pitti	14-Oct-2004
3.	00021592	Shri Nagabhushan Rao Ganti	16-Oct-2002
4.	00780356	Shri Gummalla Vijaya Kumar	28-Aug-2006
5.	00088454	Shri Gopala Krishna Muddusetty	28-Jun-2007
6.	02872723	Ms. Comal Gayathri Ramachandran	22-Sep-2014
7.	02721001	Shri Swaminathan Thiagarajan	24-Apr-2015
8.	01622420	Shri Yogender Bahadur Sahgal	09-Nov-2023

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ajay Kishen
Practicing Company Secretary
M.No: 6298 CP:5146
UDIN: F006298F000376503
Place: Hyderabad
Date: 15th May 2024

Independent Auditors' Certificate on Corporate Governance

To
Members of **Pitti Engineering Limited**

We, Talati & Talati LLP, Chartered Accountants, the Statutory Auditors of Pitti Engineering Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2024, as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”).

Management's Responsibilities:

The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the corporate governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibilities:

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

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on compliance with Corporate Governance requirement by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance (“the Guidance Note”) issued by Institute of Chartered Accountants India “ICAI” and the Standards on Auditing (“SA”s) specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate as per the Guidance Note issued by ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1 “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance Related Services Engagements”.

Opinion:

Based on our examination of relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended 31st March 2024.

We 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.

Restriction on Use:

This certificate is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update the Report for events and circumstances occurring after the date of this Certificate.

For Talati & Talati LLP
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHBY7005

Place of Signature: Hyderabad
Date: 15th May 2024

CEO / CFO Certification

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

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

- A. We have reviewed financial statements and the cash flow statement (Standalone and Consolidated) for the year ended 31st March 2024 and that to the best of our knowledge and belief, we state that:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) 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 and we 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.

We have indicated to the auditors and the Audit committee that:

- a) there are no significant changes in internal control over financial reporting during the year
- b) there are no significant changes, if any, in accounting policies during the year and
- c) there are no instances of significant fraud of which we have become aware.

Place: Hyderabad
Date : 15th May 2024

Akshay S Pitti
Managing Director & Chief Executive Officer
DIN:00078760

M Pavan Kumar
Chief Financial Officer
M.No.216936

Independent Auditor's Report

TO
THE MEMBERS OF
PITTI ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Pitti Engineering Limited ("the Company") which comprise the Standalone Balance Sheet as of 31st March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow, notes to the Standalone Financial Statements and the Statement of Changes in Equity for the year ended on that date and a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2024, its Profit including Other Comprehensive Income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the Standalone Financial Statements and auditor's report thereon:

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information and other information in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, specified under section 143(10) we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- As required by Section 143 (3) of the Act, based on our audit we report that:
 - 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 of the accompanying Standalone Financial Statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone financial statements have been

kept so far as it appears from our examination of those books.

- The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- On the basis of the written representations received from the directors as of 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as of 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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".
- 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations as at 31-03-2024 on its financial position in its Standalone Financial Statements – Refer to Note 25.02 to the Standalone Financial Statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on 31st March 2024;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - The management has represented that, to the best of its knowledge and belief as disclosed in Note No: 25.26 (vii) to the Standalone Financial Statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or

in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- The management has represented that, to the best of its knowledge and belief as disclosed in Note No: 25.26 (viii) to the Standalone Financial Statement, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- Based on the such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- The final dividend paid by the Company during the year, in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in note 26 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is

not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (j) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions re-recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies

(Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Talati & Talati LLP**
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Amit Shah
Partner

Place of Signature: Hyderabad
Date: May 15, 2024

Membership
Number: 122131
UDIN: 24122131BKHHBZ9091

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Pitti Engineering Limited on the Standalone Financial Statements as on 31st March, 2024 we report that:

- (i). (a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of property plant and equipment and right of use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, investment property, right of use asset and capital work in-progress to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant, and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Note 2A of Standalone Financial Statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (and Right of Use Assets) or Intangible assets, or both during the year. Accordingly, reporting under Clause 3(i)(d) of the Order is not applicable to the company.
- (e) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988. Accordingly, reporting under Clause 3(i)(e) of the Order is not applicable to the Company.
- (ii). (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency, coverage and procedure of such verification by the management is appropriate and discrepancies of 10% or more in the aggregate for each class of inventory noticed were dealt with properly in the books of accounts.
- (b) The Company has been sanctioned working capital limits of over five crore rupees, in aggregate, from banks and financial institutions based on the security of current assets; the quarterly returns or statements have been filed by the Company as per the terms of sanction letter with such banks or financial institutions are in agreement with the books of accounts of the Company.
- (iii). In our opinion and according to the information and explanations given to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under Clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv). In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees and security in respect of which provisions of Sections 185 of the Act are applicable. Investments in respect of which provisions of Section 186 of the Act are applicable, have been complied with by the Company.
- (v). In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as 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 not, however made a detailed examination of the same.
- (vii). (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) Details of dues of Income Tax, and Service Tax which has not been deposited as of 31st March, 2024, on account of dispute are given below:

Sr. No.	Name of statute	Nature of Dues	Amount in (INR in Lakhs)	Amount Paid under Protest (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
1	Income Tax Act, 1961	Income tax	5.14	1.03	AY 2018-19	Commissioner of Income Tax, Hyderabad
2	Income Tax Act, 1961	Income Tax	923.08	184.62	AY 2017-18	Commissioner of Income Tax, Hyderabad
3	Income Tax Act, 1961	Income Tax	38.24	7.65	AY 2020-21	Commissioner of Income Tax, Hyderabad
4	CGST Act, 2017	Goods and Service Tax	3.79	-	FY 2017-18	Superintendent of Central tax, Aurangabad
5	CGST Act, 2017	Goods and Service Tax	0.80	-	FY 2018-19	Superintendent of Central tax, Aurangabad
6	Finance Act, 1994	Service Tax	54.11	-	FY 2008-09 to 2010-11	CESTAT, Bangalore
7	Finance Act, 1994	Service Tax	14.44	-	FY 2011-12	CESTAT, Bangalore
8	Finance Act, 1994	Service Tax	6.84	-	FY 2017-22	Superintendent of Central Tax and Customs
9	Finance Act, 1994	Service Tax	10.04	-	FY 2017-18	Superintendent of Central Tax and Customs

- (viii). According to the information and explanations given to us and on the basis of our examination of the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, reporting under Clause 3(viii) of the Order is not applicable to the Company.
- (ix). (a) According to the information and explanations given to us and based on our examination of the records, during the period the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations are given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lenders.
- (c) According to the information and explanations given to us and based on the examination of records of the Company, Term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short term basis have been used for long term purpose by the Company.
- (e) According to the information and explanations given to us on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or a person on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us and based on the examination of records of the Company, the Company has not raised loans during the year on the pledge of the securities held in its subsidiary.
- (x). (a) The Company has not raised any money by the way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially optionally convertible) during the year. Accordingly, reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
- (xi). (a) According to the information and explanations given to us and based on our examination of the records of the Company, based upon the audit procedures performed, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year. Accordingly, reporting under Clause 3(xi)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records during the year, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, reporting under Clause 3 (xi) (b) of the Order is not applicable to the Company.
- (c) According to the information and explanations are given to us, there were no whistle-blower complaints

received during the year by the Company. Accordingly, the requirement to report on Clause 3 (xi) (c) of the Order is not applicable to the Company.

- (xii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on Clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.
- (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 note no 25.14 of the notes to the Standalone Financial Statements as required by the applicable accounting standards.
- (xiv). (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (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 any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on Clause 3(xv) of the Order is not applicable to the Company.
- (xvi). (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on Clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the group does not

have core investment Company. Accordingly, the requirement to report on Clause 3(xvi)(d) of the Order is not applicable to the Company

- (xvii). The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report on Clause 3(xvii) of the Order is not applicable to the Company.
- (xviii). There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx). The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.

For **Talati & Talati LLP**
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Amit Shah
Partner

Place of Signature: Hyderabad
Date: May 15, 2024

Membership
Number: 122131
UDIN: 24122131BKHHBZ9091

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 (f) under the heading "Report on other Legal and Regulatory Requirements" of our report to the members of Pitti Engineering Limited on the Standalone Financial Statements as on 31st March, 2024)

Report on the Internal Financial Controls over Financial Reporting 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 Engineering Limited** ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management 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 the 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.

Auditor's 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 the Institute of Chartered Accountants of India prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgment, including the assessment of the risks of material misstatement of the Standalone 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 internal financial controls system over the financial reporting of the Company.

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 Standalone 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 the preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with the authorizations of management and directors of the Company; and;
- (3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone 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, to the best of our information and according to the explanations given to us, 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 31st March 2024, 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 issued by the ICAI.

For **Talati & Talati LLP**
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Amit Shah

Partner

Membership

Number: 122131

UDIN: 24122131BKHHBZ9091

Place of Signature: Hyderabad

Date: May 15, 2024

Standalone Balance Sheet

as at 31st March 2024

Particulars	Notes	₹ in Lakhs	
		As at 31.03.2024	As at 31.03.2023
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment		33,363.83	27,887.49
(b) Capital work-in-progress	2A	11,807.77	2,405.69
(c) Intangible assets	2B	524.13	919.98
(d) Right of use assets	2C	8,329.66	7,428.52
(e) Investment property	2D	-	190.90
(f) Financial Assets			
(i) Investments	3A	1,530.23	1,519.52
(ii) Other financial assets	3B	377.43	852.55
(g) Other non-current assets	4	6,402.26	2,374.58
TOTAL NON - CURRENT ASSETS		62,335.31	43,579.23
CURRENT ASSETS			
(a) Inventories	5	27,019.95	23,931.40
(b) Financial Assets			
(i) Investments	6A	1.23	1.11
(ii) Trade receivables	6B	21,039.22	18,144.63
(iii) Cash and Cash equivalents	6C	7,588.81	3,970.04
(iv) Other bank balances	6D	3,351.24	2,546.46
(v) Other financial assets	6E	139.46	86.25
(c) Other current assets	7	11,528.76	5,541.38
TOTAL CURRENT ASSETS		70,668.67	54,221.27
TOTAL ASSETS		1,33,003.98	97,800.50
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,602.92	1,602.92
(b) Other equity	9	40,025.26	31,805.75
TOTAL EQUITY		41,628.18	33,408.67
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	26,294.34	12,187.91
(ii) Lease liability	10 B	6,258.49	5,403.58
(iii) Other financial liabilities		0.36	0.36
(b) Provisions	11	1,729.31	817.05
(c) Deferred tax liabilities(net)	12	365.52	851.08
TOTAL NON-CURRENT LIABILITIES		34,648.02	19,259.98
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	27,374.29	16,802.92
(ii) Lease liability	13B	1,689.94	1,248.55
(iii) Trade payables	13C		
Dues to micro and small enterprises		254.28	136.05
Dues to other enterprises		22,500.76	24,994.29
(iv) Other financial liabilities	13D	1,265.62	832.23
(b) Other current liabilities	14	317.03	453.43
(c) Provisions	15	617.09	425.14
(d) Income tax liabilities (net)	16	2,708.77	239.24
TOTAL CURRENT LIABILITIES		56,727.78	45,131.85
TOTAL EQUITY AND LIABILITIES		1,33,003.98	97,800.50

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the standalone Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377

Sharad B Pitti
Founder & Chairman
DIN:00078716

Akshay S Pitti
Managing Director &
Chief Executive Officer
DIN:00078760

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
M. No:F5532

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

Standalone Statement of Profit & Loss

for the year ended 31st March 2024

Particulars	Notes	₹ in Lakhs	
		For the Year ended 31.03.2024	For the Year ended 31.03.2023
INCOME			
Revenue from operations	17	1,20,159.64	1,10,017.15
Other income	18	4,820.89	1,781.83
TOTAL INCOME		1,24,980.53	1,11,798.98
EXPENSES			
Cost of Materials consumed	19	80,040.96	78,143.23
Changes in inventories of work-in-process, finished goods and scrap	20	550.41	87.57
Employee benefits expenses	21	10,816.48	8,845.64
Finance costs	22	4,999.29	4,465.78
Depreciation and amortization expenses	2	5,401.91	4,464.97
Other expenses	23	10,980.19	7,801.56
TOTAL EXPENSES		1,12,789.24	1,03,808.75
Profit before tax		12,191.29	7,990.23
TAX EXPENSES			
(a) Current tax	24	3,523.79	2,130.09
(b) Tax relating to earlier years		(6.48)	(1.31)
(c) Deferred tax		(345.77)	(21.83)
TOTAL TAX EXPENSES		3,171.54	2,106.95
Profit for the period		9,019.75	5,883.28
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(561.14)	(31.74)
Change in fair value of investment		5.71	(126.48)
Income tax relating to items that will not be reclassified subsequently to profit or loss		139.79	39.82
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		(415.64)	(118.40)
Total Comprehensive Income		8,604.11	5,764.88
Earnings per Equity Share of Face Value of ₹ 5/- each	25.1		
(a) Basic		28.14	18.36
(b) Diluted		28.14	18.36

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the standalone Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377

Sharad B Pitti
Founder & Chairman
DIN:00078716

Akshay S Pitti
Managing Director &
Chief Executive Officer
DIN:00078760

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
M. No:F5532

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

Standalone Statement of Changes in Equity

for the year ended 31st March 2024

(a) Equity Share Capital

Particulars	Note No.	₹ in lakhs
Balance as at 1st April 2022		1,602.92
Changes in equity share capital during the year		-
Balance as at 31st March 2023	8	1,602.92
Balance as at 1st April 2023		1,602.92
Changes in equity share capital during the year		-
Balance as at 31st March 2024	8	1,602.92

(b) Other Equity

Particulars	Reserves and Surplus			Items of other comprehensive income		Total Other Equity
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at 1st April 2022	8,106.46	750.48	17,867.58	(93.16)	162.69	26,794.05
Profit for the year	-	-	5,883.28	-	-	5,883.28
Fair Valuation of investments	-	-	-	(94.65)	-	(94.65)
Actuarial Gain / (Loss)	-	-	-	-	(23.75)	(23.75)
Total Comprehensive Income for the previous year	8,106.46	750.48	23,750.86	(187.81)	138.94	32,558.93
Dividends	-	-	(753.18)	-	-	(753.18)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2023	8,106.46	750.48	22,997.68	(187.81)	138.94	31,805.75
Balance as at 1st April 2023	8,106.46	750.48	22,997.68	(187.81)	138.94	31,805.75
Profit for the year	-	-	9,019.75	-	-	9,019.75
Fair Valuation of investments	-	-	-	4.27	-	4.27
Actuarial Gain/(Loss)	-	-	-	-	(419.91)	(419.91)
Total Comprehensive Income for the current year	8,106.46	750.48	32,017.43	(183.54)	(280.97)	40,409.86
Dividends	-	-	(384.60)	-	-	(384.60)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2024	8,106.46	750.48	31,632.83	(183.54)	(280.97)	40,025.26

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the standalone Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377**Sharad B Pitti**
Founder & Chairman
DIN:00078716**Akshay S Pitti**
Managing Director &
Chief Executive Officer
DIN:00078760**Amit Shah**
Partner
M.No:122131**G Vijaya Kumar**
Director
DIN:00780356**M Pavan Kumar**
Chief Financial Officer
M. No: 216936**Mary Monica Braganza**
Company Secretary &
Chief Compliance Officer
M. No:F5532Place: Hyderabad
Date : 15th May 2024Place: Hyderabad
Date : 15th May 2024

Standalone Statement of Cash Flows

for the year ended 31st March 2024

₹ in Lakhs

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	12,191.29	7,990.23
Adjusted for		
Depreciation and amortisation expenses	5,401.91	4,464.97
Interest Income	(267.56)	(176.26)
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
(Gain) / Loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(12.90)	(21.70)
(Gain)/ Loss on Lease modification	(0.99)	-
Re-measurement gains/(losses) on employee defined benefit plans	(561.14)	(31.74)
Re-measurement gains/(losses) on Investments	5.84	(126.10)
(Gain) / Loss on current financial assets measured at FVTPL	(5.97)	125.73
Unrealised foreign exchange differences	100.09	75.94
Finance Costs	4,999.29	21,874.86
Operating Profit before Working Capital changes	21,874.86	16,809.84
Working Capital changes adjusted for		
Trade & Other Receivables	(9,247.52)	3,490.96
Inventories	(3,088.55)	3,297.31
Trade and other payables	(1,132.17)	2,151.03
	(13,468.24)	8,939.30
Cash generated from operations	8,406.62	25,749.14
Direct Taxes Paid	(1,047.78)	(3,452.75)
Cash Flow before extraordinary items	7,358.84	22,296.39
Net Cash Flow From Operating Activities - (A)	7,358.84	22,296.39
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment	(5.00)	-
Purchase of Property, Plant & equipment and intangibles	(17,455.26)	(9,570.85)
Advances to Property, Plant & equipment and intangibles	(4,003.68)	(63.10)
ROU Assets as per IND AS 116	(2,441.32)	(1,063.57)
Proceeds from sale of property, plant & equipment	97.71	171.48
Interest income received	228.60	155.19
Net Cash used in Investing Activities - (B)	(23,578.95)	(10,370.85)

Standalone Statement of Cash Flows

for the year ended 31st March 2024

₹ in Lakhs

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Payments for Principal portion of lease liability	1,425.25	(160.58)
Cash Payments for Interest portion of lease liability	(128.95)	(2.87)
Proceeds from Borrowings - Noncurrent (including current maturities)	21,481.93	3,819.65
Repayment of Borrowings - Noncurrent (including current maturities)	(2,795.69)	(3,177.58)
Proceeds/(repayments) of short-term borrowings (Net)	5,991.56	(4,094.03)
Finance charges	(4,947.31)	(4,545.26)
Long Term Deposits received	-	(0.36)
Term Deposits with financial institutions	(803.31)	195.76
Payment of Dividend	(383.13)	(751.39)
Unclaimed Dividend	(1.47)	(1.79)
	19,838.88	(8,718.45)
Net Cash used in Finance Activities - (C)	19,838.88	(8,718.45)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3,618.77	3,207.09
Opening Balance in Cash and Cash Equivalents	3,970.04	762.95
Closing Balance in Cash and Cash Equivalents	7,588.81	3,970.04
Components of cash and cash equivalents:		
Cash on hand	2.31	3.31
Balances with banks		
Current accounts	1,126.38	1,234.62
EEFC accounts	1.12	1.11
Term Deposit Accounts with in 3 months of maturity (Without lien)	6,459.00	2,731.00
Total cash and cash equivalents	7,588.81	3,970.04

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the standalone Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors ofPitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**Chartered Accountants
Firm's Registration Number:
110758W/W100377**Sharad B Pitti**Founder & Chairman
DIN:00078716**Akshay S Pitti**Managing Director &
Chief Executive Officer
DIN:00078760**Amit Shah**Partner
M.No:122131**G Vijaya Kumar**Director
DIN:00780356**M Pavan Kumar**Chief Financial Officer
M. No: 216936**Mary Monica Braganza**Company Secretary &
Chief Compliance Officer
M. No:F5532

Place: Hyderabad

Date : 15th May 2024

Place: Hyderabad

Date : 15th May 2024

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION

1.1. CORPORATE INFORMATION

Pitti Engineering Limited ("the Company") is a public company incorporated in India. The registered office of the Company is located at 4th floor, Padmaja Landmark, Somajiguda, Hyderabad – 500082 Telangana India. Its shares are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

The Company is engaged in the manufacturing of engineering products of iron and steel including electrical steel laminations stator & rotor core assemblies sub-assemblies pole assemblies die-cast rotors press tools and high precision machining of various metal components.

1.2. BASIS OF PREPARATION AND PRESENTATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 as amended from time to time.

Company's standalone financial statements are presented in Indian Rupees (₹) which is also its functional currency and all values are rounded to the nearest lakh (₹ 00000) except when otherwise indicated.

The Shareholders have the power to amend the Standalone Financial Statements after the issue.

1.3. PREPARATION OF STANDALONE FINANCIAL STATEMENTS

(a) Basis of Accounting

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 read with Section 133 of Companies Act, 2013 as amended from time to time.

The standalone financial statements have been prepared on an accrual basis and in accordance with the historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into

account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such basis except for measurements that have some similarities to fair value but are not fair value such as net realizable value in Ind AS 2.

(b) Significant accounting judgments estimates and assumptions

The preparation of the Company's standalone financial statements in conformity with Ind AS requires the management to make judgments estimates and assumptions that affect the reported amounts of revenues expenses assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management believes that the estimates used in preparation of standalone financial statements are prudent and reasonable.

Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future period is effected.

(c) Current/ Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or

Notes to Standalone Financial Statements

for the year ended 31st March 2024

- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

1.4. A. PROPERTY PLANT AND EQUIPMENT

Freehold land is measured at cost and not depreciated. All other items of property plant and equipment (includes Tools and Dies) are stated at cost less accumulated depreciation and impairment loss if any.

Cost includes cost of acquisition installation or construction other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes GST eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals the same were depreciated separately based on their specific useful lives.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

The Company records a provision for dismantling cost towards Plant and Machinery wherever applicable. Dismantling costs are provided at the present value of future expenditure using the current pre-tax rate expected to be incurred to fulfil dismantling obligation and are recognized as part of the cost of the underlined asset. Any change in the present value of expenditure other than unwinding of discount on the provision is reflected as adjustment to the provision and the corresponding asset. The change in the provision

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act 2013 except in respect of the assets where the useful life estimated by Management is different from the Act details are given below.

Category of asset	Estimated useful lives as assessed by the Management	Useful lives as per Schedule II to the Act
Factory Building	5-30 years	30 years
Leasehold Building	3-30 years	30 years
Furniture and Fixtures	2-14 years	10 years
Patterns Match Plates	2-10 years	15 years
Plant & Machinery	2-20 years	15 years
Electricals	2-15 years	10 years

due to the unwinding of discount is recognized in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost comprising of direct costs related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion net of income earned during the project development stage prior to its intended use are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under other non-current assets.

Property plant and equipment are eliminated from standalone financial statements either on disposal or when retired from active use. Losses arising in the case of the 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.

'Depreciable amount for assets is the cost of an asset or other amount substituted for cost less its estimated residual value. Property Plant and Equipment is provided on straight-line method over the useful life of the assets as specified in Schedule II to the Companies Act 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act 2013 where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing ₹5000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Category of asset	Estimated useful lives as assessed by the Management	Useful lives as per Schedule II to the Act
Office Equipment	2-15 years	5 years
Lab & Test Equipment	2-10 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	8-10 years	10 years
Vehicles-Motor Cars	2-8 years	8 years
Computers – Servers	6 years	6 years
Computers – Desktops	3-6 years	3 years
Computer Software	3-10 years	3 years

The useful life of each tool has been estimated in number of strokes; hence Depreciation has also been done on the number of strokes made by each tool during the year. However if any tool wears out or gets obsolete before expiry of the estimated life the remaining value of the tool is depreciated during that year.

B. INTANGIBLE ASSETS:

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortization and impairment loss if any.

Intangible assets including software is amortized over their estimated useful life on straight line basis from the date they are available for intended use subject to impairment test.

The estimated useful life and the amortization period of the intangible assets are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern if any.

Development expenditures on an individual product/project are recognized as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale its intention to complete and use or sell the asset its ability to use or sell the asset how the asset will generate future economic benefits the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

Product development cost are amortized on a straight-line basis over a period of 60 months.

Subsequent cost

Subsequent costs incurred for replacement of a major component of an asset are included in the asset's carrying cost or recognized as a separate

asset as appropriate. The carrying values of the replaced components are recognized to statement of Profit and Loss when replaced.

De-recognition

An item of property plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Gains or losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

C. INVESTMENT PROPERTY

Properties that are held for long-term rental yields and/ or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment if any. Depreciation is recognised using the straight-line method so as to amortise the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act 2013. Transfers to or from investment properties are made at the carrying amount when and only when there is a change in use. An item of investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

1.5. IMPAIRMENT OF NON-FINANCIAL ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment

Notes to Standalone Financial Statements

for the year ended 31st March 2024

loss is charged to the Statement of Profit and Loss 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.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.6. REVENUE RECOGNITION

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The control is transferred upon shipment of goods to the customer or when the goods is made available to the customer provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. While in case of Job work services, the same is recognised after the completion of service.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts offered by the company as part of the contract. Variable consideration are determined based on the most likely amount. Consideration is due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

(a) Interest income

Interest Income from financial asset is recognized when it is probable that the economic benefits flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

(b) Dividend income

Dividend income is recognized when the Company's right to receive the payment is established which is generally when shareholders approve the dividend.

(c) Other income

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

income from export incentives under Foreign Trade Policy relating to RodTep, duty drawback premium on sale of import licenses and lease license fee are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

1.7. INVESTMENTS

The company has accounted for its investment in subsidiary at cost less impairment loss (if any).

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the company has elected to present the change in 'Other Comprehensive Income'.

Investments are classified into current and non-current 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 non-current 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.

1.8. INVENTORIES

(a) Inventories include raw material, work in progress, finished goods, scrap and stores, spares and consumables. Work in progress & finished goods are

Notes to Standalone Financial Statements

for the year ended 31st March 2024

carried at the weighted average cost or net realizable value whichever is lower.

(b) Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost or net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue..

(c) The cost of inventories is computed to include all cost of purchases cost of conversion standard overheads and other related cost incurred in bringing the inventories to their present condition.

(d) 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.

1.9. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

1.10. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The standalone financial statements are presented in Indian Rupee (INR) which is the Company's functional and presentation currency.

Foreign exchange differences arising on foreign currency borrowings is disclosed under finance cost other than on 'Borrowing costs' in accordance with Ind AS 23 which is directly attributable to the acquisition construction or production of a qualifying asset forming part of the cost of the asset.

Net gain or loss on foreign currency translations on trade receivables and trade payables is classified under other income or other expenses as the case may be.

(a) Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. 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.

1.11. EMPLOYEE BENEFITS

Short-term employee benefits:

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Post-employment benefits:

Defined Contribution Plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

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.

Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

Defined Benefit Plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period.

Gratuity: In accordance with applicable Indian Laws the Company provides gratuity a defined benefit retirement plan (the Gratuity Plan) covering eligible 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.

Remeasurements comprising of actuarial gains and losses the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts

Notes to Standalone Financial Statements

for the year ended 31st March 2024

included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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.

Past service costs are recognized in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment and
- (ii) The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs past-service costs gains and losses on curtailments and non-routine Settlements; and
- (ii) Net interest expense or income

Termination Benefits

When the employee early retirement/termination/resignation/withdrawal the normal retirement benefit will be paid based on the service up to the date of exit.

1.12. BORROWING COSTS

Borrowing costs which are directly attributable to the acquisition/construction or production of a qualifying asset which are the assets that necessarily takes substantial period of time to get ready for intended use or sale 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.

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.

1.13. LEASES

The Company as a lessee

As per Ind AS-116 the Company has recognized lease liabilities and corresponding equivalent right-of-use

assets. The Company's lease asset primarily consist of leases for Land Buildings, Plant & Machinery and Vehicles. The Company assesses whether a contract contains a lease at inception of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether:

- (i) The contract involves the use of an identified asset.
- (ii) The Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease the Company recognizes a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases the Company recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if not readily determinable using the incremental borrowing rates in the country of domicile of these leases.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.14. EARNINGS PER SHARE

The basic earnings per share ("EPS") is computed by dividing the net profit after tax for the period attributable to

Notes to Standalone Financial Statements

for the year ended 31st March 2024

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.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares as appropriate.

1.15. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.12 for the segment information presented.

1.16. 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 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.

The expenses relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement.

1.17. TAXATION

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws

used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Company has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act 1961 as per the Taxation Laws (Amendment) Ordinance 2019. The tax calculations for the year ended 31st March 2024 have been made accordingly.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.18. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on

Notes to Standalone Financial Statements

for the year ended 31st March 2024

the trade date i.e. the date that the Company commits to purchase or sell the asset.

However, Trade Receivables that do not contain significant financing components are measured at transaction price.

Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI then all fair value changes on the instrument excluding dividends are recognized in the OCI. There is no recycling of the amounts from OCI to P&L even on sale of investment. However the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- (i) The rights to receive cash flows from the asset have expired or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangements and either
 - (a) The Company has transferred substantially all the risks and rewards of the asset or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109 the Company uses expected credit loss model for evaluating impairment of financial assets other than those measured at sale value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to :

- The twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument but are possible within twelve months after the reporting date.) : or
- Full life time expected credit losses (expected credit losses that result from those default events over the life of the financial instrument).

For trade receivables the Company applies simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables at every reporting date the existing trade receivables are reviewed and accordingly required credit loss is recognized in books.

For other assets (other than trade receivables) the Company uses twelve months expected credit loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full life time expected credit loss is used.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss loans and borrowings payables or as derivatives designated as hedging instruments in an effective hedge as appropriate.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings and payables net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables loans and borrowings including bank overdrafts financial guarantee contracts and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification as described below:

Loans and Borrowings

This is the category most relevant to the Company. After initial recognition interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative Financial Instrument and Hedge Accounting

The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability the Company takes into account the characteristics of

the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these standalone financial statements is determined on such basis except for measurements that have some similarities to fair value but are not fair value such as net realizable value in Ind AS 2.

Levels of Risk in Fair Value Measurement:

Level 1 – The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

Level 3 - The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

1.19. EXCEPTIONAL ITEM

Exceptional items are disclosed separately in the standalone financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

1.20. GOVERNMENT GRANT

Government grants including any non-monetary grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognized as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognized as deferred income.

Grants from government authorities relating to income are recognised in the profit or loss as other Income when the reasonable assurance is established as per the terms of the scheme.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE : 2

NOTE : 2A PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	31.03.2024	01.04.2023	01.04.2023	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Property, Plant & Equipment									
Land	1,969.00	210.34	0.49	2,179.83	-	-	-	2,179.83	1,969.00
Factory Building									
- on Own premises	3,587.93	1,255.40	400.35	5,243.68	160.48	-	232.48	1,339.61	3,904.07
- on Lease hold Property	1,459.43	-	-	1,459.43	811.36	54.98	-	866.34	593.09
Office Building									
- on Lease hold Property	48.37	105.89	-	154.26	3.70	8.67	-	12.37	141.89
Plant & Equipment	34,096.69	5,214.68	709.17	40,020.54	17,844.47	2,930.22	362.06	21,136.75	18,883.79
Tools	5,713.93	1,332.53	(498.35)	6,548.11	952.94	466.26	(396.16)	1,023.04	5,525.07
Patterns, Match plates & Mould Box	504.95	56.36	(2.46)	558.85	181.34	68.98	(0.97)	249.35	309.50
Office Equipment	389.28	186.80	(82.59)	493.49	260.84	50.95	(80.33)	231.46	262.03
Furniture & Fixtures	303.16	151.10	(3.88)	450.38	157.86	30.40	(3.71)	184.55	265.83
Other-Computers	363.70	86.42	(53.59)	396.53	268.48	44.68	(50.53)	262.63	133.90
Vehicles	1,212.94	462.41	(39.33)	1,636.02	334.25	167.56	(30.62)	471.19	1,164.83
Sub Total	49,649.38	9,061.93	429.81	59,141.12	21,761.89	3,983.18	32.22	25,777.29	33,363.83
Capital Work In Progress	2,405.69	19,416.85	(10,014.77)	11,807.77	-	-	-	11,807.77	2,405.69

During the current year ₹418.49 lakhs (Previous year ₹ 85.80 lakhs) interest capitalized on term loans.

Capital Work in Progress ageing schedule

Particulars	As at 31.03.2024			As at 31.03.2023		
	Amount in CWIP for a period of			Amount in CWIP for a period of		
	Less than 1 year	1-2 years	More than 2-3 years	Less than 1 year	1-2 years	More than 2-3 years
Projects in progress	11,184.49	623.28	-	11,807.77	2,348.38	57.31
Projects temporarily suspended	-	-	-	-	-	-
Total	11,184.49	623.28	-	11,807.77	2,348.38	57.31

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE : 2B INTANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	31.03.2024	01.04.2023	01.04.2023	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Computer Software	833.02	20.03	(326.78)	526.27	726.60	40.28	324.23	442.65	83.62
Product Development Expenses	2,086.64	-	-	2,086.64	1,273.08	373.05	-	1,646.13	440.51
Sub Total	2,919.66	20.03	(326.78)	2,612.91	1,999.68	413.33	324.23	2,088.78	524.13

NOTE: 2C RIGHT OF USE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	31.03.2024	01.04.2023	01.04.2023	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Land	227.69	-	-	227.69	71.52	17.88	-	89.40	138.29
Building	2,602.44	-	-	2,602.44	545.64	156.29	-	701.93	1,900.51
Plant and Machinery	6,049.25	2,401.51	(932.79)	7,517.97	874.22	804.16	(387.66)	1,290.72	6,227.25
Vehicles	115.85	46.78	(18.12)	144.51	75.33	17.71	(12.14)	80.90	63.61
Subtotal	8,995.23	2,448.29	(950.91)	10,492.61	1,566.71	996.04	(399.80)	2,162.95	8,329.66

Note: 2D INVESTMENT PROPERTY*

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	31.03.2024	01.04.2023	01.04.2023	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Land	0.49	-	(0.49)	-	-	-	-	-	0.49
Factory Building	452.55	5.00	(457.55)	-	262.14	9.36	(271.50)	-	190.41
Sub Total	453.04	5.00	(458.04)	-	262.14	9.36	(271.50)	-	190.90
Grand Total (A+B+C+D)	62,017.31	11,535.25	(1,305.92)	72,246.64	25,590.42	5,401.91	(314.85)	30,029.02	42,217.62
Excluding CWIP									
Previous Year	54,278.47	8,386.53	(647.69)	62,017.31	21,623.37	4,464.97	(497.92)	25,590.42	36,426.89

* During the Current financial year Company started operations, and hence investment property transferred to Property, Plant & Equipment (Previous year Fair Market Value on 05.05.2023 ₹ 1551.89 Lakhs as per valuation report given by registered independent valuer)

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 3A : INVESTMENTS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Investment with Pitti Castings Private Limited (Unquoted)		
a. Equity Shares	287.23	281.52
(40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000) Presented as per Fair Market Value as per Ind AS Requirement (Refer Note)		
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, Previous year 1,23,30,00)		
Investment with Pitti Rail and Engineering Components Ltd (Wholly Subsidiary Company) (Unquoted)		
Equity Shares	10.00	5.00
(100,000 equity shares at face value ₹ 10/- each, previous year 50,000) -100% Subsidiary Company Presented at cost less impairment loss		
TOTAL OF UNQUOTED INVESTMENTS	1,530.23	1,519.52

Note

The fair value of investment in PCPL as on the balance sheet date has been considered in accordance with the Valuation report dated 15th June 2023 (Valuation date - 14th June 2023) obtained in relation to the Scheme of amalgamation filed with NCLT for its approval as provided in Note 25.24. (for the previous year fair value as on 31/03/2023 is considered as per valuation report dated 10th May 2023.)

NOTE 3B : OTHER FINANCIAL ASSETS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Term Deposits with Financial Institutions	327.96	807.20
Security Deposits:		
With Lessor	33.39	31.01
With suppliers	16.08	14.34
TOTAL	377.43	852.55

NOTE 4 : OTHER NON CURRENT ASSETS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Capital Advance for Property, Plant and Equipment	6,207.33	2,203.65
Prepaid Expenses - Rent Deposits	41.70	43.75
Gold Coins	1.49	1.49
Deposits:		
With government bodies	151.74	125.69
TOTAL	6,402.26	2,374.58

NOTE 5 : INVENTORIES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
(At lower of cost or Net realisable value)*		
Raw material	16,080.49	13,402.64
Material in Transit - Raw Material	857.54	289.23
Work in process	5,174.16	3,669.33

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 5 : INVENTORIES (Contd..)

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Finished goods	2,334.28	4,489.04
Stores and spares	2,451.24	2,058.44
Scrap	122.24	22.72
TOTAL	27,019.95	23,931.40

*Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost or net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.

NOTE 6A : INVESTMENTS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd.	1.19	1.07
1,000 Equity Shares at face value of ₹ 10/- each (Previous year 1,000) Presented as per Fair Market Value as per Ind AS Requirement		
II. Unquoted		
Saraswat Co-operative Bank Ltd.	0.01	0.01
50 Equity Shares at face value of ₹ 10/- each (Previous year 50)		
S.V. Co-operative Bank Ltd	0.03	0.03
100 Equity Shares at face value of ₹ 25/- each (Previous year 100)		
TOTAL	1.23	1.11

NOTE 6B : TRADE RECEIVABLES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Trade Receivables considered good - Secured*	322.15	-
Trade Receivables considered good - Unsecured	20,742.07	18,188.17
Allowance for Credit losses	(15.63)	-
Trade Receivables - credit impaired	(9.37)	(43.54)
TOTAL	21,039.22	18,144.63

*Sales against Letter of Credit

Trade Receivables ageing schedule for the year ended 31 st March 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	19,011.99	2,038.39	7.70	2.90	3.11	0.13	21,064.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	(2.88)	(2.09)	(1.24)	(3.11)	(0.05)	(9.37)
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Less : allowances for Credit losses	-	(11.15)	(2.99)	(1.41)	-	(0.08)	(15.63)
Total {(i)-[(ii)-(iii)]+[(iv)-[(v)-(vi)]]-(vii)}	19,011.99	2,024.36	2.62	0.25	-	-	21,039.22

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 6B : TRADE RECEIVABLES (Contd..)

Trade Receivables ageing schedule for the year ended 31 st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	16,728.60	1,401.90	10.66	46.88	0.05	0.08	18,188.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	(43.54)	-	-	(43.54)
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total {(i)-[(ii)-(iii)]+[(iv)-[(v)-(vi)]]}	16,728.60	1,401.90	10.66	3.34	0.05	0.08	18,144.63

NOTE 6C : CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2024	As at 31.03.2023
Cash on Hand	2.31	3.31
Balances with banks		
Current Accounts	1,126.38	1,234.62
EEFC Accounts	1.12	1.11
Term Deposit Accounts with in 3 months of maturity	6,459.00	2,731.00
TOTAL	7,588.81	3,970.04

NOTE 6D : OTHER BANK BALANCES

Particulars	As at 31.03.2024	As at 31.03.2023
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account (Refer Note)	10.20	8.73
Term Deposits - held as margin money for NFB limits	3,286.14	2,537.73
Other Deposits with banks	54.90	-
TOTAL	3,351.24	2,546.46

Note:

During the year Nil(Previous year an amount of ₹ 3.92 lakhs, was transferred to Investor Education and Protection Fund (IEPF) which is relating to final dividend of the FY 2014-15)

NOTE 6E : OTHER FINANCIAL ASSETS

Particulars	As at 31.03.2024	As at 31.03.2023
Interest accrued on Deposits	125.21	86.25
Earnest Money Deposit Amount	14.25	-
TOTAL	139.46	86.25

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 7 : OTHER CURRENT ASSETS

Particulars	As at 31.03.2024	As at 31.03.2023
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	295.63	1,184.41
Central Excise, Sales tax, GST etc.,	4,368.43	1,981.94
Export Incentive Receivables	340.96	35.66
State Industrial Promotion Subsidy receivables	5,663.25	1,410.86
Income Tax and other taxes	198.58	240.66
Employees	2.92	2.99
Prepaid expenses	658.99	684.86
TOTAL	11,528.76	5,541.38

NOTE 8 : EQUITY SHARE CAPITAL

Particulars	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹ 5/- each	3,000.00	3,000.00
TOTAL	3,000.00	3,000.00
Issued, Subscribed and Paid up		
3,20,50,067 (Previous year 3,20,50,067) Equity shares of ₹ 5/- each	1,602.50	1,602.50
8,300 (Previous year 8,300) Equity Shares forfeited of ₹ 5/- each	0.42	0.42
TOTAL	1,602.92	1,602.92

Notes

(a) Reconciliation of equity shares

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50
Issued during the period	-	-	-	-
At the closing of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50

(b) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 5/- each and the holder of the equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation of the Company the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to their share holding.

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

Name	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19
Smt Madhuri S Pitti	17,58,620	5.49	17,58,620	5.49
Pitti Electrical Equipment Pvt Ltd	86,47,267	26.98	86,47,267	26.98

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 8 : EQUITY SHARE CAPITAL (Contd..)

(d) Shares held by promoters at the end of the year

Promoter Name	As at 31.03.2024		As at 31.03.2023		% Change during the year
	No. of Shares	% of Total Shares	No. of shares	% of total shares	
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57	-
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19	-
Smt Madhuri S Pitti*	17,58,620	5.49	17,58,620	5.49	-
Pitti Electrical Equipment Pvt Ltd*	86,47,267	26.98	86,47,267	26.98	-
Sharad B Pitti HUF*	17,000	0.06	17,000	0.06	-

* Promoter Group

(e) Dividend paid:

Particulars	₹ in lakhs	
	2023-24	2022-23
Dividend Paid (₹ in Lakhs)	384.60	753.18
Dividend Paid per share (₹)	1.20	2.35

The Board of Directors have recommended a dividend of ₹ 1.50/- per equity share of ₹ 5/- each for the year ended 31st March, 2024 subject to approval of members of the Company at the ensuing 40th Annual General Meeting.

Note 9 : OTHER EQUITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Securities Premium		
At the beginning of the year	8,106.46	8,106.46
Add: during the period	-	-
At the closing of the period	8,106.46	8,106.46
General Reserve		
At the beginning of the year	750.48	750.48
Less: adjustment as per Schedule -II of Companies Act, 2013	-	-
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	750.48	750.48
Retained Earnings		
At the beginning of the year	22,997.68	17,867.58
Less : Final dividend declared for previous year	(384.60)	(272.43)
Add : Profit for the year	9,019.75	5,883.28
Less : Interim dividend for the year	-	(480.75)
Less : Transferred to general reserve during the year	-	-
At the closing of the period	31,632.83	22,997.68
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	(280.97)	138.94
Change in fair value of investment	(183.54)	(187.81)
At the closing of the period	(464.51)	(48.87)
TOTAL	40,025.26	31,805.75

Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities Premium.

The utilization of securities premium will be as per provisions of the Act.

General Reserve

General reserve is created through an annual transfer of net profit in accordance with applicable regulations.

Retained Earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 10 A : BORROWINGS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
A. Secured Loans		
Term Loans from Banks (Refer Note a)	23,247.78	8,996.94
Term Loans from others (Refer Note b)	134.83	184.01
Sub total	23,382.61	9,180.95
Vehicle Loans		
From Lenders (Refer Note c)	401.73	496.96
Sub total	401.73	496.96
Total - A	23,784.34	9,677.91
B. Unsecured loans		
From related parties (Refer Note d)	2,510.00	2,510.00
Total - B	2,510.00	2,510.00
TOTAL - (A+B)	26,294.34	12,187.91

Terms and conditions of Loans and Security

(a) Term Loans from Banks

Secured Loans	₹ in lakhs				Repayment Terms	Security
	Long Term		Term loan instalments due less than 12 months			
	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023		
Term Loans	22,703.32	5,796.99	6,268.17	1,462.96	Monthly/Quarterly instalments payable over remaining period of 6 years.	Notes 1
WCTL/GECL	544.46	3,199.95	657.51	916.83	Monthly instalments payable over remaining period of 5 years	Notes 2
Total - (a)	23,247.78	8,996.94	6,925.68	2,379.79		

(b) Term Loans from Others

Secured Loans	₹ in lakhs				Repayment Terms	Security
	Long Term		Term loan instalments due less than 12 months			
	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023		
Term Loans	134.83	184.01	49.59	49.59	Monthly instalments payable over remaining period of 4 years	NA
Total - (b)	134.83	184.01	49.59	49.59		
Total - (a+b)	23,382.61	9,180.95	6,975.27	2,429.38		

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029

(d) Unsecured loans ₹ 2,510 lakhs (previous year ₹ 2,510 lakhs) brought in by the promoters and promoters group as subordinate debt to the secured debt, Carrying interest rate in the range of 7.99% to 8.74% p.a

Notes :

- Pari passu 1st charge on present and future Fixed Assets of the Company and pari passu 2nd charge on present and future Current Assets of the Company and guaranteed by the promoters of the company. Further, SBI is having exclusive charge on immovable properties of Promoters and pledge of 19,44,530 shares of Promoters holding. Term loans carry interest rate in the range of 9.25% to 10.20% p.a.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 10 A : BORROWINGS (Contd..)

- 2) WCTL/GECL loans are secured by Pari Passu 2nd charge on present and future Fixed Assets and Current Assets of the Company and 2nd Pari Passue charge on 19,44,530 pledge of shares along with other working capital lenders in consortium and these are repayable at an interest rate range from 9.15%% to 9.25%

Note 10B : LEASE LIABILITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Lease Liability	6,258.49	5,403.58
TOTAL	6,258.49	5,403.58

Note 11 : PROVISIONS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for Gratuity*	847.93	157.17
Provision for Leave encashment*	315.11	133.49
Provision for Dismantling cost of Property, Plant & Equipment#	566.27	526.39
TOTAL	1,729.31	817.05

* Refer note no.25.4

The movement in the provision is towards (i) Additions during the period (ii) unwinding of discount

Note 12 : DEFERRED TAX LIABILITIES (NET)*

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
At the beginning of the year	851.08	912.73
Provision for the year	(485.56)	(61.65)
Closing balance	365.52	851.08

* Refer note no.25.15

Note 13A : BORROWINGS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Working capital borrowings from Banks (Secured) (Refer Note (a))	19,337.82	13,629.36
Current maturities of long term borrowings: (Refer Note (b))		
Term loans	6,975.27	2,429.38
Vehicle loans	91.20	94.18
Inter Corporate Deposit	970.00	650.00
TOTAL	27,374.29	16,802.92

Note:

- (a) Working capital facilities are availed at interest rate ranging from 6.27% p.a. to 9.50% p.a. which are secured on a pari paasu first charge basis against hypothecation of Inventory (stocks), Trade Receivables and all other current assets both present and future, pari passu second charge on movable and immovable properties of the Company both present and future, pledge of 19,44,530 shares owned by Promoters and secured by way of personal guarantee of the Promoters of the Company
- (b) Refer Note 10A

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 13B : LEASE LIABILITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Lease Liability	1,689.94	1,248.55
TOTAL	1,689.94	1,248.55

NOTE 13C : TRADE PAYABLES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Dues to micro enterprises and small enterprises (Refer Note 25.18)*	254.28	136.05
Dues to other enterprises	22,500.76	24,994.29
TOTAL	22,755.04	25,130.34

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.

* The amount mentioned is principal only.

Trade Payables ageing schedule for the year ended 31st March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
		(i) Undisputed dues - MSME	254.28	-	-	
(ii) Undisputed dues - Others	20,418.03	2,035.96	31.60	15.11	0.06	22,500.76
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv))	20,672.31	2,035.96	31.60	15.11	0.06	22,755.04

Trade Payables ageing schedule for the year ended 31st March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
		(i) Undisputed dues - MSME	136.05	-	-	
(ii) Undisputed dues - Others	23,875.74	1,087.37	22.79	4.17	4.22	24,994.29
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv))	24,011.79	1,087.37	22.79	4.17	4.22	25,130.34

NOTE 13D : OTHER FINANCIAL LIABILITIES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Unclaimed Dividend	10.20	8.73
Interest accrued*	78.96	26.98
Others	1,176.46	796.52
TOTAL	1,265.62	832.23

*There is no interest payable to MSME vendors during the current or previous year

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 14 : OTHER CURRENT LIABILITIES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Advances from Customers	77.68	298.31
Other Liabilities	239.35	155.12
TOTAL	317.03	453.43

NOTE 15 : PROVISIONS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for employee benefits :		
Provision for Gratuity	110.58	72.36
Provision for Bonus	388.90	324.97
Provision for Leave encashment	117.61	27.81
TOTAL	617.09	425.14

NOTE 16 : INCOME TAX LIABILITIES (NET)

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for taxation (net)	2,708.77	239.24
TOTAL	2,708.77	239.24

NOTE 17 : REVENUE FROM OPERATIONS

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales & Services:		
Sale of Products	1,33,513.94	1,23,284.27
Job work & Service Income	1,072.20	767.72
Gross Sales & Services (inclusive of GST)	1,34,586.14	1,24,051.99
Less : GST	(13,706.45)	(13,114.22)
Net Sales & Services	1,20,879.69	1,10,937.77
Sale of Products	1,19,925.49	1,10,248.34
Job work & Service Income	954.20	689.43
Net Sales & Services	1,20,879.69	1,10,937.77
Less : Discounts to Customers	(1,705.11)	(1,461.57)
Revenue from Sales & Services	1,19,174.58	1,09,476.20
Export incentives and others	985.06	540.95
Revenue from Operations	1,20,159.64	1,10,017.15

NOTE 18 : OTHER INCOME

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Deposits	267.56	176.26
Profit on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	12.90	21.70
Profit on Lease Modification	0.99	-
State Industrial Promotion Subsidy	4,354.02	1,479.08
Other Misc. Receipts	185.29	104.42
Change in Fair Value of Investments	0.13	0.37
TOTAL	4,820.89	1,781.83

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 19 : COST OF MATERIALS CONSUMED

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	13,691.87	16,900.78
Add: Purchases	83,287.12	74,934.32
Less : Material in Transit - Raw Material	(857.54)	(289.23)
Less: Closing stock	(16,080.49)	(13,402.64)
Consumption	80,040.96	78,143.23

NOTE 20: CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Opening stocks:		
Work-in-process	3,669.33	4,597.69
Finished goods	4,489.04	3,609.12
Scrap	22.72	61.85
Total - A	8,181.09	8,268.66
B. Closing stocks:		
Work-in-process	5,174.16	3,669.33
Finished goods	2,334.28	4,489.04
Scrap	122.24	22.72
Total - B	7,630.68	8,181.09
C. (Increase)/Decrease in stocks (A-B)	550.41	87.57

Note 21 : EMPLOYEE BENEFITS EXPENSES

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Employees remuneration and benefits	9,439.41	7,762.23
Contribution to PF/ESI*	370.76	358.92
Gratuity expenses*	167.84	59.79
Remuneration to Directors	192.72	192.72
Staff welfare expenses	645.75	471.98
TOTAL	10,816.48	8,845.64

*Refer note no.25.4

Note 22 : FINANCE COSTS

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Long term debt*	1,341.56	1,315.98
Interest on short term debt	2,004.12	1,375.51
Interest others	687.59	464.28
Other Finance cost	921.42	1,094.94
Forex Loss/(Gain) (net)	44.60	215.07
TOTAL	4,999.29	4,465.78

*Interest capitalized during the F.Y 2023-24 is ₹ 418.49 lakhs (Previous year ₹ 85.80 lakhs)

Notes to Standalone Financial Statements

for the year ended 31st March 2024

Note 23 : OTHER EXPENSES

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of Stores, Spares, Tools & Dies	2,994.90	1,763.30
Power & fuel	1,402.45	1,056.03
Repairs & Maintenance :		
Plant	358.93	203.47
Building	54.43	17.89
Vehicles	39.98	16.08
Maintenance charges	175.22	121.64
Other Assets	112.88	92.09
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
Other selling & Distribution expenses	733.31	574.40
Packing Cost	1,555.75	1,269.07
Carriage outwards	659.99	538.36
Travelling & Conveyance	431.94	237.59
Insurance	421.72	263.93
Rent	55.77	20.17
Rates & Taxes (Excluding Taxes on Income)	96.31	107.58
Director's Sitting Fees	28.75	23.75
Forex loss on Export Receivables and Imports Payables	111.66	412.04
Remuneration to auditors :		
Audit Fee	15.00	15.00
Tax Audit Fee	5.25	5.25
Certification Fee /Taxation matter	15.95	15.00
Out of Pocket Expenses	1.30	0.75
Communication Expenses	49.94	47.54
Professional consultancy	782.58	533.44
CSR Expenses	131.00	21.61
Miscellaneous Expenses	720.18	402.59
TOTAL	10,980.19	7,801.56

NOTE 24 : TAX EXPENSES

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	3,523.79	2,130.09
Taxes relating to earlier years	(6.48)	(1.31)
Deferred (credit)/expenses	(485.56)	(61.65)
Deferred (credit)/expenses on other comprehensive income	139.79	39.82
TOTAL	3,171.54	2,106.95

NOTE 25: STANDALONE NOTES ON ACCOUNTS

25.1 Earnings per share (EPS) from continuing operations

Particulars	₹ in lakhs	
	For the Year 2023 - 24	For the Year 2022 - 23
Earnings		
Profit for the period attributable to owners of the company (₹ in lakhs)	9019.75	5883.28
Shares		
Number of shares at the beginning of the period	32050067	32050067
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	32050067	32050067
Weighted average number of equity shares outstanding during the period	32050067	32050067
Earnings per share of par value ₹ 5/- Basic (₹)	28.14	18.36
Earnings per share of par value ₹ 5/- Diluted (₹)	28.14	18.36

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

25.2 Contingent Liabilities and Commitment

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
(A) Contingent Liabilities		
a. Claims against the company not acknowledged as debts:		
(i) Service Tax Liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to December, 2011.	68.55*	68.55*
(ii) GST liability for which appeals preferred by the Company is pending with Superintendent of Central tax – Range III, Div-IV, Pune-1 for the FY 2017-18	3.79*	3.79*
(iii) GST liability for which appeals preferred by the Company is pending with Commissioner of appeals, Pune for the FY 2018-19	0.80*	0.80*
(iv) GST liability for which appeals to be filed with the Commissioner of appeals Hyderabad -1 for the FY 2017-18	10.04*	-
(v) GST liability for which appeals preferred by the Company is pending with the commissioner of appeals Hyderabad -1 for the FY 2016-2017 to 2021-2022	6.84*	-
(vi) Income Tax Liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18	923.08*	923.08*
(vii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2018-19	5.14*	5.14*
(viii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2020-21	38.24*	38.24*
b. Income Recognized against the scrip generation (under RodTEP scheme) and pending for generation of EBRC	154.70	17.01
c. Duty Payable incase nonperformance of Export obligation in futures periods against EPCG License	235.60	466.74
d. Duty Payable incase nonperformance Export obligation against advance Licenses	-	708.52
(B) Commitments		
(i) Bank guarantees	1166.22	1236.45
(ii) Estimated amount of liability on account of Capital Commitments	6857.85	4546.57

* No Provision is considered since the Company expects favorable decision and the above liability is excluding Interest and Penalty. The company has deposited ₹ 193.30 lakhs towards Income Tax liabilities which are classified under "Income Tax and other taxes" under Current Assets.

25.3 Capital Management

The Company's Capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required based on an annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Company monitors the capital structure based on net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings excluding lease obligations less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

The table below summarizes the capital, net debt, and net debt to equity ratio of the Company.

Particulars	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
Equity Share Capital	1602.92	1602.92
Other Equity	40025.26	31805.75
Total equity (A)	41628.18	33408.67
Non-Current borrowings	26294.34	12187.91
Current borrowings	27374.29	16802.92
Gross debt (B)	53668.63	28990.83
Total capital (A+B)	95296.81	62399.50
Gross debt as above	53668.63	28990.83
Less: Current investments	1.23	1.11
Less: Cash and cash equivalents	7588.81	3970.04
Less: Other balances with financial institutions	3669.00	3344.93
Net debt (C)	42409.59	21674.75
Net Debt to Equity	1.02	0.65

25.4 Employee Benefit Plans

As per Indian Accounting Standard 19 – “Employee Benefits” the disclosures as defined are given below :

A) Defined Benefit Plan

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

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Discount Rate	7.10 %	7.39 %	7.10 %	7.39%
Rate of increase in Compensation levels	8% p.a.	2% p.a.	8% p.a.	2% p.a.
Rate of Return on Plan Assets	7.10 %	7.39%	0%	0%
Expected Average remaining working lives of employees (years)	24 yrs	24 yrs	24 yrs	24 yrs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation as at the beginning of the year	509.90	482.35	161.30	149.50
Interest Cost	36.24	31.60	10.32	8.77
Current Service Cost	155.08	49.26	107.73	37.29
Benefits paid	(39.12)	(81.36)	(43.29)	(53.96)
Actuarial (gain)/ loss on obligations	558.76	28.05	196.66	19.70
Present Value of Obligation as at the end of the year	1220.86	509.90	432.72	161.30
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	1220.86	509.90	432.72	161.30
Fair Value of Plan Assets as at the end of the year	262.35	280.37	-	-
Funded Status	(958.51)	(229.53)	(432.72)	(161.30)
Net Asset / (Liability) Recognized in Balance Sheet	(958.51)	(229.53)	(432.72)	(161.30)
Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost	155.08	49.26	107.73	37.29
Past Service Cost	-	-	-	-
Interest Cost	36.24	31.60	10.32	8.77
Expected Return on Plan Assets	(19.27)	(21.07)	-	-
Net actuarial (gain)/ loss recognized in the year	561.14	31.74	196.66	19.70
Expenses Recognized in the Statement of Profit & Loss	733.18	91.53	314.71	65.76
Acquisition Adjustments	4.20	-	-	-

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Fair Value of the Planned Assets at the beginning of the year	280.37	244.35	-	-
Employer's contribution	-	100.00	-	-
Interest on Planned Assets	16.89	17.38	-	-
Actual return on plan assets less interest on plan assets	-	-	-	-
Benefits paid	(39.11)	(81.36)	-	-
Asset acquired/(settled)	-	-	-	-
Present Value of Planned Assets at the end of the year	262.35	280.37	-	-

Maturity profile of defined benefit obligation (on an undiscounted basis) – Gratuity

Particulars	₹ in lakhs	
	2023-24	2022-23
With next 12 months	27.64	9.69
Between 2 to 5 years	282.68	182.39
Between 6 to 10 years	386.21	209.20
More than 10 years	3862.18	954.50

Rate of return for the plan asset

Particulars	₹ in lakhs	
	2023-24	2022-23
Guaranteed Rate of Return	6.43%	6.85%
Discounted Rate for remaining term to Maturity of Investment	7.10	7.39
Expected Rate of Return on Investment	7.10	7.39

Sensitivity Analysis – Gratuity Plan

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	₹ in lakhs			
	Gratuity Plan		As at 31.03.2023	
	As at 31.03.2024	As at 31.03.2023	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	1374.39	1092.67	555.89	470.24
Change in Rate of Salary Growth (Delta effect of +/-1%)	1078.50	1388.62	460.93	567.37
Change in Rate of Attrition (Delta effect of +/- 50%)	1210.90	1231.16	490.36	528.04
Change in Mortality Rate (Delta effect of +/-10%)	1218.80	1222.94	505.07	514.67

B) Defined Contribution Plan

Contribution to Defined Contribution plan recognized as expense for the year is as under

Particulars	₹ in lakhs	
	2023-24	2022-23
Employer Contribution to ESI	32.44	36.03
Employer Contribution to PF	307.07	294.94
Employer Contribution to pension scheme	30.90	27.55
Labor welfare fund	0.35	0.40
Total	370.76	358.92

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

25.5 Details of consumption of Raw Material

Description	₹ in lakhs	
	For the Year 2023-24	For the Year 2022-23
Imported	2953.70	5748.52
Indigenous	77087.26	72394.71
TOTAL	80040.96	78143.23

25.6 Stock and Turnover of Manufactured and Traded goods

Description	₹ in lakhs					
	For the Year 2023-24			For the Year 2022-23		
	Turnover	Closing Inventory (FG & Scrap)	Opening Inventory (FG & Scrap)	Turnover	Closing Inventory (FG & Scrap)	Opening Inventory (FG & Scrap)
Sale of Products	118220.38	2456.52	4511.76	108786.77	4511.76	3670.97
Sale of Services	954.20	-	-	689.43	-	-
TOTAL	119174.58	2456.52	4511.76	109476.20	4511.76	3670.97

25.7 Stock of Work in process

Description	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Work/Material in process	5174.16	3669.33
TOTAL	5174.16	3669.33

25.8 CIF Value of Imports

Particulars	₹ in lakhs	
	For the Year 2023-24	For the Year 2022-23
Capital goods	4598.62	5155.60
Raw Materials	2237.98	3313.18
Stores and Spares	344.88	160.93
TOTAL	7181.48	8629.71

25.9 Earnings in Foreign Currency

Particulars	₹ in lakhs	
	For the Year 2023-24	For the Year 2022-23
FOB value of Exports	44347.70	37166.63

25.10 Expenditure in Foreign Currency

Particulars	₹ in lakhs	
	For the Year 2023-24	For the Year 2022-23
Travelling and others	489.00	402.11
Total	489.00	402.11

25.11 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:

- Details of investment made are given in Note 3A & 25.13
- There are no guarantees issued by your Company in accordance with section 186 of the Companies Act 2013 read with rules issued there under

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

25.12 Segment Reporting

Segments are identified in line with Indian Accounting Standards (Ind AS) 108 "Operating Segments" taking into consideration the internal organization and management structure.

Operating Segments are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance and for which discreet information is available.

The operating segment of the Company is identified to be manufacturing of "Engineering Products of Iron and Steel" and the CODM reviews business performance at an overall Company level as one segment. Hence no separate disclosure is provided.

Information by Geographies

In presenting geographic information segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) Revenue from External Customers

Sl. No	Segment Revenue	₹ in lakhs	
		For the Year 2023-24	For the Year 2022-23
a) India		81533.46	74747.94
b) Outside India		43447.07	37051.04
TOTAL		124980.53	111798.98

b) Assets

Segment Assets	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
India	117464.40	87337.85
Outside India	15539.58	10462.65
TOTAL	133003.98	97800.50

c) Revenue from Major Customers

Details of single external customer from whom the Company receives more than 10% of the revenue.

Revenue from two customers of the Company having more than 10% of the total revenue aggregating to ₹ 63128.18 lakhs (previous year three customers ₹ 49934.28 lakhs).

25.13 Financial Instruments

(A) Fair Values Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Fair value hierarchy	Total	Quoted prices in	Significant	Significant
		active markets	observable inputs	unobservable inputs
Particulars		Level 1	Level 2	Level 3
31-March-24				
Financial Asset				
Investment in equity instruments	1531.46	1.19	1520.23	10.04
Security Deposits	49.47	-	-	49.47
Financial Liability				
Borrowings	53668.63	-	-	53668.63
Total	55249.56	1.19	1520.23	53728.14
31-March-23				
Financial Asset				
Investment in equity instruments	1520.63	1.07	1514.52	5.04
Security Deposits	45.35	-	-	45.35
Financial Liability				
Borrowings	28990.83	-	-	28990.83
Total	30556.81	1.07	1514.52	29041.22

(B) Financial Risk Management

The Company has exposure to the following risk:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

Liquidity Risk:

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Market Risk:

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices.

25.14 Related party disclosures

List of Related parties:

I Wholly Owned Subsidiary

- (i) Pitti Rail and Engineering Components Limited

II Entity having significant influence over the entity

- (i) Pitti Electrical Equipment Private Limited

III Key Management Personnel

Executive Promoter Directors

- (i) Shri Sharad B Pitti, Founder & Chairman
(ii) Shri Akshay S Pitti, Managing Director & Chief Executive Officer

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

Independent & Non-Executive Directors

- (iii) Ms. Gayathri Ramachandran, Independent Director
(iv) Shri G. Vijaya Kumar, Independent Director
(v) Shri M. Gopalakrishna, Independent Director
(vi) Shri N.R Ganti, Independent Director
(vii) Shri S. Thiagarajan, Independent Director
(viii) Shri Y B Sahgal, Independent Director (From 09-11-2023)
(ix) Shri DV Aditya, Independent Director (10-08-2022 to 21-10-2022)

Others

- (x) Shri N K Khandelwal, President Corporate Resource & CFO (till 13.04.2022)
(xi) Shri M Pavan Kumar, Chief Financial Officer (From 12.11.2022)
(xii) Ms. Mary Monica Braganza, Company Secretary & Chief Compliance Officer

IV Other Related Parties with whom transactions have taken place.

The Enterprises over which KMP or relatives of KMP having significant influence.

- (i) Pitti Casting Private Limited
(ii) Pitti Trade & Investment Private Limited

The Relative of Executive Promoter Directors

- (iii) Smt Madhuri S Pitti
(iv) Smt Radhika A Pitti
(v) Sharad B Pitti (HUF)

A. Transactions/balances outstanding with related parties

(1) For the Financial Year 2023-24

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Wholly Owned Subsidiary	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	-	302.56	15.25	317.81
2	Rent / Lease Expenses	-	-	110.88	204.30	315.18
3	Rent / Lease Income	-	-	-	1.74	1.74
4	Purchases of goods	-	31.89	-	13253.17	13285.06
5	Purchases of Property, plant & equipment	-	-	-	36.51	36.51
6	Job work charge	-	-	-	3.45	3.45
7	Sales of goods	-	-	-	539.52	539.52
8	Job work income	-	-	-	129.39	129.39
9	Investment	5.00	-	-	-	5.00
10	Interest paid	-	212.04	-	-	212.04
11	Amount payable at the year end	-	2547.59	34.80	1155.81	3738.20
12	Amount receivable at the year end	-	-	20.21	40.02	60.23
13	Investments at the year end	10.00	-	-	1520.23	1530.23

Note: As per Regulation 2(1)(ZC) (ii) SEBI LODR Regulations Dividend paid by Listed entity to related party as part of Corporate action is not a related party transaction, Accordingly dividend paid to related party is not included in the above statement.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

(2) For the previous Financial Year 2022-23

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Wholly Owned Subsidiary	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	-	247.70	15.21	262.91
2	Rent / Lease Expenses	-	-	104.16	194.57	298.73
3	Rent / Lease Income	0.38	-	-	1.65	2.03
4	Purchases of goods & services	-	836.18	-	7830.78	8666.96
5	Sales of goods & services	-	-	-	1330.96	1330.96
6	Unsecured Loan - received	-	-	2700.00	-	2700.00
7	Unsecured Loan – repaid	-	-	5210.00	-	5210.00
8	Inter Corporate Deposits – received	-	5575.00	-	-	5575.00
9	Inter Corporate Deposits – repaid	-	3065.00	-	-	3065.00
10	Interest paid	-	145.20	144.14	-	289.34
11	Amount payable at the year end	-	3194.98	18.46	520.67	3734.11
12	Amount receivable at the year end	-	-	20.21	619.89	640.10
13	Investments at the year end	5.00	-	-	1514.52	1519.52

B. Disclosure pursuant to regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Transaction with Promoter / Promoter Group holding more than 10% of equity share capital of the Company.

₹ in lakhs

Sl. No	Particulars	For the Year 2023-24	For the Year 2022-23
1	Shri Sharad B Pitti		
	- Remuneration	98.78	98.78
	- Lease rental	110.88	104.16
	- Dividend	-	102.22
	- Amount payable at the year end	5.34	5.57
	- Amount receivable (rent deposit) at year end	20.21	20.21
2	Shri Akshay S Pitti		
	- Remuneration	98.78	98.78
	- Dividend	-	99.37
	- Interest on unsecured loans	-	144.14
	- Unsecured loans received	-	2,700.00
	- Unsecured loans repaid	-	5,210.00
	- Amount payable at the year end	4.63	5.22
3	Pitti Electrical Equipment Private Limited		
	- Purchase of goods	31.89	836.18
	- Dividend	-	203.21
	- Interest on inter corporate deposits	212.04	145.20
	- Inter corporate deposits received	-	5575.00
	- Inter corporate deposits repaid	-	3065.00
	- Amount payable at the year end	2547.59	3194.98

Note: As per Regulation 2(1)(ZC) (ii) SEBI LODR Regulations Dividend paid by Listed entity to related party as part of Corporate action is not a related party transaction, Accordingly dividend paid to related party is not included in the above statement.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

25.15 Deferred Tax

₹ in lakhs

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2023	Statement of Profit & Loss	Other Comprehensive income	Deferred Tax (Liability)/ Asset as at 31.03.2024
Deferred tax assets:					
1	Provision for Lease liability As per IND AS 116	767.63	407.84	-	1175.47
2	Employee benefits	226.87	126.64	-	353.51
3	Provision for Dismantling Cost of Property, plant & equipment	132.48	10.04	-	142.52
4	Remeasurement of defined benefit plans	-	-	141.23	141.23
5	Others	12.67	86.05	(1.44)	97.28
	Total (a)	1139.65	630.57	139.79	1910.01
Deferred tax liabilities:					
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(1924.09)	(276.02)	-	(2200.11)
2	Remeasurement of defined benefit plans	(46.72)	-	-	(46.72)
3	Others	(19.92)	(8.78)	-	(28.70)
	Total (b)	1990.73	(284.80)	-	(2275.53)
	Deferred Tax Net (a-b)	(851.08)	345.77	139.79	(365.52)

25.16 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.

25.17 The assessment for impairment of assets has taken place at the end of reporting period as per guidelines laid down in Ind AS 36 'Impairment of assets'. For the assets having recoverable amount less than its carrying amount the carrying amount of the asset is reduced to its recoverable amount and the resulting impairment loss is recognized in profit or loss.

25.18 Micro Small and Medium Enterprises Development Act 2006

Disclosure required as per section 22 of the Micro Small and Medium Enterprise Development Act 2006 (MSMED Act) is given below:

₹ in lakhs

Sl. No	Description	Year 2023-24	Year 2022-23
1	Principal amount outstanding and not due to suppliers under MSMED	254.28	136.05
2	Interest accrued and due to suppliers covered under MSMED on the above amount unpaid	-	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	-	-
4	Interest paid to suppliers covered under MSMED	-	-
5	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.

25.19 Right of Use Assets

For the Financial Year 2023-24

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2023	156.17	2056.80	5175.03	40.52	-	7428.52
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	2401.51	46.78	-	2448.29
Deletions/Adjustments	-	-	545.13	5.98	-	551.11
Depreciation	17.88	156.29	804.16	17.71	-	996.04
Balance as on 31st March 2024	138.29	1900.51	6227.25	63.61	-	8329.66

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

For the Previous Financial Year 2022-23

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2022	174.05	2213.09	5832.00	64.57	-	8283.71
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	1,064.77	-	-	1,064.77
Deletions/Adjustments	-	-	997.77	-	-	997.77
Depreciation	17.88	156.29	723.97	24.05	-	922.19
Balance as on 31st March 2023	156.17	2056.80	5175.03	40.52	-	7428.52

₹ in lakhs

25.20 Letters have been written for confirmation of balances pertaining to debtors and creditors and reply from certain parties are awaited.

25.21 Financial and derivative instruments

Description	As at	As at
	31.03.2024	31.03.2023
Forward Contracts	11460.08	9744.75

₹ in lakhs

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

25.22 Statutory Auditor's remuneration

Sl. No	Description	Year	Year
		2023-24	2022-23
1	Statutory Audit	15.00	15.00
2	Tax Audit	5.25	5.25
3	Certification fee / Taxation matter	15.95	15.00
4	Out of Pocket Expenses	1.30	0.75

₹ in lakhs

25.23. The Previous year figures have been regrouped/rearranged to the extent necessary to In line with the current period's classification. All the numbers have been rounded off to the nearest lakh.

25.24. Business Combinations

Scheme of Amalgamation

The Board of Directors at their meeting held on 15th June 2023 considered and approved the Scheme of Amalgamation among Pitti Castings Private Limited (PCPL) and Pitti Rail and Engineering Components Limited (PRECL) and Pitti Engineering Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and the rules framed thereunder (Scheme).

The Scheme, inter-alia, provides for amalgamation of PCPL and PRECL with Pitti Engineering Limited.

The amalgamation of PCPL is proposed to be undertaken with the objective of achieving vertical integration, broaden the Company's footprint across the supply chain and enhance the Company's margins and profitability. The amalgamation of PRECL is proposed to be undertaken with the objective of simplifying the corporate structure and elimination of duplication in administrative cost and multiple record keeping thus resulting in cost savings.

The Board of the Company has recommended the following share exchange ratio for the amalgamation of PCPL with the Company:

"01" (One) equity share of PEL of INR 05/- each, fully paid-up for every 55 (Fifty-Five) equity shares of PCPL of INR 10/- each, fully paid-up ("Share Exchange Ratio")

Since all the shares of PRECL are held by the Company, no consideration shall be payable pursuant to the amalgamation of PRECL.

The Company had filed the Scheme with Stock Exchanges on 26th June 2023 and received their no objection on 26th October 2023. Further, the Company has received approval from the shareholders and creditors pursuant to an National Company Law Tribunal (NCLT) convened meeting on 22nd March 2024. A joint petition has been filed with the NCLT, Hyderabad bench on 29th March 2024 and the same is reserved for hearing on 07th June 2024. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial results for the quarter and year ended 31st March 2024.

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

Acquisition:

Consequent to the Share Purchase Agreement dated 11th March 2024, entered into between the Company and Shri Chaitra Sundaresh, Smt Ronak Bagadia (Sellers) and Bagadia Chaitra Industries Private Limited (BCIPL), the Company has completed the acquisition of 100% of the equity share capital of BCIPL on 6th May 2024. With this acquisition, BCIPL is now a wholly owned subsidiary of the Company w.e.f. 6th May 2024.

25.25. Key Ratios

S. no	Particulars	Numerator	Denominator	₹ in lakhs			Reason for variance more than 25%
				31.03.2024	31.03.2023	Variance	
1.	Current Ratio (in times)	Current assets	Current liabilities	1.25	1.20	4.17%	
2.	Debt- Equity Ratio (in times)	Debt *	Equity	1.29	0.87	48.28%	Note 1(a)
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	2.01	2.90	(30.69) %	Note 1(b)
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	24.04%	19.04%	5.00%	
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	4.72	4.30	9.77%	
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	6.13	5.70	7.54%	
7.	Trade Payables Turnover ratio (in times)	Net Purchases	Average payables	3.85	3.40	13.24%	
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	8.62	12.10	(28.76)%	Note 1(c)
9.	Net Profit Ratio (in %)	Net profit	Net sales	7.51%	5.35%	2.16%	
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	16.21%	17.01%	(0.80)%	
11.	Return on Investment (in%)	Earnings from invested funds	Average invested funds	Nil	Nil		

* Debt excludes lease liabilities.

Note1:

- Increase in Debt Equity ratio due to Increase in Term loans to the extent Property, Plant & Equipment got increased and also increase in utilization working capital limits.
- Decrease in debt service coverage ratio due to increase in Term loans.
- Decrease in Net Capital Turnover ratio due to increase in utilization of working capital limits.

Definitions:

- Current Assets = Total Current Assets as per Balance Sheet
- Current Liabilities = Total Current Liabilities as per Balance Sheet
- Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet
- Equity/Shareholder Equity = Total Equity as per Balance Sheet
- EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings
- Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)
- Average Inventory = (Opening Inventory + Closing Inventory)/2
- Average Receivables = (Opening Receivables + Closing Receivables)/2
- Average Payables = (Opening Payables + Closing Payables)/2
- Working Capital = Current Assets – Current Liabilities
- Capital Employed = Total Assets- Current Liabilities
- Earnings from Investor Funds= Earnings from Investment
- Average Investment Funds = (Opening Investments + Closing Investments)/2

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

25.26. Other Statutory Information

- (i) The Company does not have any Benami property where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The quarterly returns or statements of current assets filed by the company with banks or financial institutions are in agreement with the books of accounts.
- (iii) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (iv) The Company does not have any transactions with companies struck off.
- (v) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (vi) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017.
- (vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Company has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).
- (x) Corporate Social Responsibility (CSR):

Sl. no.	Particulars	₹ in lakhs	
		Year ended 31 March 2024	Year ended 31 March 2023
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	130.63	90.39
b.	Less : Excess incurred in Previous Financial Year	(0.70)	(69.48)
c.	Net amount should be incurred for the during the financial year	129.93	20.91
d.	Amount of expenditure incurred	131.00	21.61
e.	(Excess)/Shortfall at the end of the year	(1.07)	(0.70)
f.	Total of previous years shortfall	-	-
g.	Reason for shortfall	-	-

Notes to Standalone Financial Statements

for the year ended 31st March 2024

NOTE 25: STANDALONE NOTES ON ACCOUNTS (Contd..)

Sl. no.	Particulars	₹ in lakhs	
		Year ended 31 March 2024	Year ended 31 March 2023
h.	Nature of CSR Activities	1) Promotion of Health Care 2) Protection of National Heritage 3) Promotion of National Recognized Sports 4) Animal Welfare 5) Promotion of Education & Culture	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance 3) Education
i.	Details of related party transactions, e.g., contribution to a trust controlled by the company	Nil	Nil
j.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

- (xi) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377**Sharad B Pitti**
Founder & Chairman
DIN:00078716**Akshay S Pitti**
Managing Director &
Chief Executive Officer
DIN:00078760**Amit Shah**
Partner
M.No:122131**G Vijaya Kumar**
Director
DIN:00780356**M Pavan Kumar**
Chief Financial Officer
M. No: 216936**Mary Monica Braganza**
Company Secretary &
Chief Compliance Officer
M. No:F5532Place: Hyderabad
Date : 15th May 2024Place: Hyderabad
Date : 15th May 2024

Independent Auditor's Report

TO
THE MEMBERS OF
PITTI ENGINEERING LIMITED

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **PITTIENGINEERING LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of the material accounting policies and other explanatory information here in after referred to as ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31 2024, and its consolidated profit including other comprehensive income, consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules issued there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended

March 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for Audit of Consolidated Financial Statements:

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Consolidated Financial Statements.

As part of an audit in accordance with SAs, specified under section 143(10) we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are

appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or if such disclosures are inadequate, then to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities including in the Consolidated Financial Statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The Consolidated Financial Statements include financial statements of 1 (one) subsidiary, whose Standalone Financial

Statements reflect total assets of ₹ 4.6 Lakhs as at March 31, 2024, total revenue of ₹ Nil and net cash inflows amounting to ₹ 4.50 Lakhs for the year ended on that date. This financial statement has been audited by us.

Report on Other Legal and Regulatory Requirements

1. 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 of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statement.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards ("IND AS") specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on March 31, 2024, taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2024 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 with reference to financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its Subsidiary to their directors during the year is in accordance with the provisions of section 197 of the act read with Schedule V to the Act.
- (h) 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 Consolidated Financial Statements disclose the impact of pending litigations on

the consolidated financial position of the group in its financial statements – Refer to Note 25.2 to the Consolidated Financial Statements.

- (ii) The Group does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as on March 31, 2024.
- (iii) There were no such amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2024.
- (iv) (a) The respective management of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 25.27 (vii) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 25.27(viii) to the Consolidated Financial Statements, no funds have been received by the Company or its subsidiary company incorporated in India from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - (v) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by

us included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

For **Talati & Talati LLP**
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Amit Shah
Partner

Place of Signature: Hyderabad
Date: May 15, 2024

Membership
Number: 122131
UDIN: 24122131BKHHCA9420

Annexure - A to the Auditors' Report

(Referred to in paragraph 2 (f) under the heading "Report on other Legal and Regulatory Requirements" of our report to the members of Pitti Engineering Limited on the Consolidated Financial Statements as on March 31, 2024)

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

To the Members of Pitti Engineering Limited

In conjunction with our audit of the Consolidated Financial Statements of PITT ENGINEERING LIMITED (herein after referred to as "the Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the Holding Company and its subsidiary which is companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary which are companies incorporated in India, 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 the Institute of Chartered Accountants of India prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. 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 were 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 judgment, including the assessment of the risks of material misstatement of the Consolidated 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 internal financial controls system with reference to Consolidated Financial Statements of the Holding Company and its subsidiary, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated Financial Statements 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 the preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements 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 and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which are company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with

reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Talati & Talati LLP**
Chartered Accountants
(Firm Reg No: 110758W/W100377)

Amit Shah
Partner

Place of Signature: Hyderabad
Date: May 15, 2024

Membership
Number: 122131
UDIN: 24122131BKHHCA9420

Consolidated Balance Sheet

as at 31st March 2024

Particulars	Notes	₹ in lakhs	
		As at 31.03.2024	As at 31.03.2023
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	33,363.83	27,887.49
(b) Capital work-in-progress	2A	11,807.77	2,405.69
(c) Intangible assets	2B	524.13	919.98
(d) Right of use assets	2C	8,329.66	7,428.52
(e) Investment property	2D	-	190.90
(f) Financial Assets			
(i) Investments	3A	1,520.23	1,514.52
(ii) Other financial assets	3B	377.43	852.55
(g) Other non-current assets	4	6,402.26	2,374.58
TOTAL NON - CURRENT ASSETS		62,325.31	43,574.23
CURRENT ASSETS			
(a) Inventories	5	27,019.95	23,931.40
(b) Financial Assets			
(i) Investments	6A	1.23	1.11
(ii) Trade receivables	6B	21,039.22	18,144.63
(iii) Cash and Cash equivalents	6C	7,593.41	3,970.14
(iv) Other bank balances	6D	3,351.24	2,546.46
(v) Other financial assets	6E	139.46	86.25
(c) Other current assets	7	11,528.76	5,541.38
TOTAL CURRENT ASSETS		70,673.27	54,221.37
TOTAL ASSETS		1,32,998.58	97,795.60
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,602.92	1,602.92
(b) Other equity	9	40,019.48	31,800.59
TOTAL EQUITY		41,622.40	33,403.51
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	26,294.34	12,187.91
(ii) Lease liability	10 B	6,258.49	5,403.58
(iii) Other financial liabilities		0.36	0.36
(b) Provisions	11	1,729.31	817.05
(c) Deferred tax liabilities(net)	12	365.52	851.08
TOTAL NON-CURRENT LIABILITIES		34,648.02	19,259.98
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	27,374.29	16,802.92
(ii) Lease liability	13B	1,689.94	1,248.55
(iii) Trade payables	13C		
Dues to micro and small enterprises		254.28	136.05
Dues to other enterprises		22,500.89	24,994.29
(iv) Other financial liabilities	13D	1,265.83	832.49
(b) Other current liabilities	14	317.07	453.43
(c) Provisions	15	617.09	425.14
(d) Income tax liabilities (net)	16	2,708.77	239.24
TOTAL CURRENT LIABILITIES		56,728.16	45,132.11
TOTAL EQUITY AND LIABILITIES		1,32,998.58	97,795.60

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors ofPitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377**Sharad B Pitti**
Founder & Chairman
DIN:00078716**Akshay S Pitti**
Managing Director &
Chief Executive Officer
DIN:00078760**Amit Shah**
Partner
M.No:122131**G Vijaya Kumar**
Director
DIN:00780356**M Pavan Kumar**
Chief Financial Officer
M. No: 216936**Mary Monica Braganza**
Company Secretary &
Chief Compliance Officer
M. No:F5532Place: Hyderabad
Date : 15th May 2024Place: Hyderabad
Date : 15th May 2024

Consolidated Statement of Profit & Loss

for the year ended 31st March 2024

Particulars	Notes	₹ in lakhs	
		For the Year ended 31.03.2024	For the Year ended 31.03.2023
INCOME			
Revenue from operations	17	1,20,159.64	1,10,017.15
Other income	18	4,820.89	1,783.05
TOTAL INCOME		1,24,980.53	1,11,800.20
EXPENSES			
Cost of Materials consumed	19	80,040.96	78,143.23
Changes in inventories of work-in-process, finished goods and scrap	20	550.41	87.57
Employee benefits expenses	21	10,816.48	8,845.64
Finance costs	22	4,999.30	4,465.41
Depreciation and amortization expenses	2	5,401.91	4,465.23
Other expenses	23	10,980.80	7,802.25
TOTAL EXPENSES		1,12,789.86	1,03,809.33
Profit before tax		12,190.67	7,990.87
TAX EXPENSES			
(a) Current tax	24	3,523.79	2,130.09
(b) Tax relating to earlier years		(6.48)	(1.31)
(c) Deferred tax		(345.77)	(21.40)
TOTAL TAX EXPENSES		3,171.54	2,107.38
Profit for the period		9,019.13	5,883.49
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(561.14)	(31.74)
Change in fair value of investment		5.71	(126.48)
Income tax relating to items that will not be reclassified subsequently to profit or loss		139.79	39.82
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		(415.64)	(118.40)
Total Comprehensive Income		8,603.49	5,765.09
Earnings per Equity Share of Face Value of ₹ 5/- each			
(a) Basic	25.1	28.14	18.36
(b) Diluted		28.14	18.36

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors ofPitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
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DIN:00078760**Amit Shah**
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M.No:122131**G Vijaya Kumar**
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DIN:00780356**M Pavan Kumar**
Chief Financial Officer
M. No: 216936**Mary Monica Braganza**
Company Secretary &
Chief Compliance Officer
M. No:F5532Place: Hyderabad
Date : 15th May 2024Place: Hyderabad
Date : 15th May 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

(a) Equity Share Capital

Particulars	Note No.	₹ in lakhs
Balance as at 1st April 2022		1,602.92
Changes in equity share capital during the year		-
Balance as at 31st March 2023	8	1,602.92
Balance as at 1st April 2023		1,602.92
Changes in equity share capital during the year		-
Balance as at 31st March 2024	8	1,602.92

(b) Other Equity

Particulars	Reserves and Surplus			Items of other comprehensive income		Total Other Equity
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as at 1st April 2022	8,106.46	750.48	17,862.21	(93.16)	162.69	26,788.68
Profit for the period	-	-	5,883.49	-	-	5,883.49
Fair Valuation of investments	-	-	-	(94.65)	-	(94.65)
Actuarial Gain/(Loss)	-	-	-	-	(23.75)	(23.75)
Total Comprehensive Income for the previous year	8,106.46	750.48	23,745.70	(187.81)	138.94	32,553.77
Dividends	-	-	(753.18)	-	-	(753.18)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2023	8,106.46	750.48	22,992.52	(187.81)	138.94	31,800.59
Balance as at 1st April 2023	8,106.46	750.48	22,992.52	(187.81)	138.94	31,800.59
Profit for the period	-	-	9,019.13	-	-	9,019.13
Fair Valuation of investments	-	-	-	4.27	-	4.27
Actuarial Gain/(Loss)	-	-	-	-	(419.91)	(419.91)
Total Comprehensive Income for the current year	8,106.46	750.48	32,011.65	(183.54)	(280.97)	40,404.08
Dividends	-	-	(384.60)	-	-	(384.60)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2024	8,106.46	750.48	31,627.05	(183.54)	(280.97)	40,019.48

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited
CIN : L29253TG1983PLC004141

For Talati & Talati LLP
Chartered Accountants
Firm's Registration Number:
110758W/W100377

Sharad B Pitti
Founder & Chairman
DIN:00078716

Akshay S Pitti
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M Pavan Kumar
Chief Financial Officer
M. No: 216936

Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
M. No:F5532

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

Consolidated Statement of Cash Flows

for the year ended 31st March 2024

₹ in lakhs

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	12,190.67	7,990.87
Adjusted for		
Depreciation and amortisation expenses	5,401.91	4,465.23
Interest Income	(267.56)	(177.86)
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
(Gain) / Loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(12.90)	(21.70)
(Gain)/ Loss on Lease modification	(0.99)	-
Re-measurement gains/(losses) on employee defined benefit plans	(561.14)	(31.74)
Re-measurement gains/(losses) on Investments	5.84	(126.48)
Loss on current financial assets measured at FVTPL	(5.97)	126.11
Unrealised foreign exchange differences	100.09	75.94
Finance Costs	4,999.30	21,874.25
Operating Profit before Working Capital changes	21,874.25	16,808.79
Working Capital changes adjusted for		
Trade & Other Receivables	(9,247.52)	3,491.32
Inventories	(3,088.55)	3,297.31
Trade and other payables	(1,132.05)	2,150.98
	(13,468.12)	8,939.61
Cash generated from operations	8,406.13	25,748.40
Direct Taxes Paid	(1,047.78)	(3,452.75)
Cash Flow before extraordinary items	7,358.35	22,295.65
Net Cash Flow From Operating Activities - (A)	7,358.35	22,295.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & equipment and intangibles	(17,455.26)	(9,570.85)
Advances to Property, Plant & equipment and intangibles	(4,003.68)	(63.10)
ROU Assets as per IND AS 116	(2,441.32)	(1,047.45)
Proceeds from sale of property, plant & equipment	97.71	171.48
Interest income received	228.60	156.77
Net Cash used in Investing Activities - (B)	(23,573.95)	(10,353.15)

Standalone Statement of Cash Flows

for the year ended 31st March 2024

Particulars	₹ in lakhs	
	For the Year ended 31.03.2024	For the Year ended 31.03.2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Payments for Principal portion of lease liability	1,425.25	(178.66)
Cash Payments for Interest portion of lease liability	(128.95)	(2.87)
Proceeds from Borrowings - Noncurrent (including current maturities)	21,481.93	3,819.65
Repayment of Borrowings - Noncurrent (including current maturities)	(2,795.69)	(3,177.58)
Proceeds/(repayments) of short-term borrowings (Net)	5,991.56	(4,094.03)
Finance charges	(4,947.32)	(4,545.26)
Term Deposit Accounts with financial institutions	(803.31)	195.76
Payment of Dividend	(383.13)	(751.39)
Unclaimed Dividend	(1.47)	(1.79)
	19,838.87	(8,736.17)
Net Cash used in Finance Activities - (C)	19,838.87	(8,736.17)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3,623.27	3,206.33
Opening Balance in Cash and Cash Equivalents	3,970.14	763.81
Closing Balance in Cash and Cash Equivalents	7,593.41	3,970.14
Components of cash and cash equivalents:		
Cash on hand	2.37	3.31
Balances with banks		
Current accounts	1,130.92	1,234.72
EEFC accounts	1.12	1.11
Term Deposit Accounts with in 3 months of maturity (Without lien)	6,459.00	2,731.00
Total cash and cash equivalents	7,593.41	3,970.14

Material accounting policies information and the accompanying notes 1 to 25 are an integral part of the Consolidated Financial Statements.

As per our report of even date

For and on behalf of the Board of Directors ofPitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377**Sharad B Pitti**
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Chief Financial Officer
M. No: 216936**Mary Monica Braganza**
Company Secretary &
Chief Compliance Officer
M. No:F5532Place: Hyderabad
Date : 15th May 2024Place: Hyderabad
Date : 15th May 2024

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION

1.1. CORPORATE INFORMATION

The Consolidated financial statements comprise financial statements of Pitti Engineering Limited ("the Holding Company" or "The Company") which is a public Company and it's wholly owned subsidiary "Pitti Rail and Engineering Components Limited" which is incorporated in India during the FY 2020-21. The registered office of the Group is located at 4th floor Padmaja Landmark, Somajiguda, Hyderabad – 500082, Telangana, India. The shares of the holding company are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

The Group is engaged in the manufacturing of engineering products of iron and steel including electrical steel laminations, stator & rotor core assemblies, sub-assemblies, pole assemblies, die-cast rotors, press tools and high precision machining of various metal components including railways.

1.2. BASIS OF PREPARATION AND PRESENTATION

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated financial statements of the Group are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

The Shareholders have the power to amend the Consolidated Financial Statements after the issue.

1.3 PRINCIPLES OF CONSOLIDATION

- The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like-items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.
- Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

1.4. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of Accounting

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013 as amended from time to time.

The Consolidated financial statements comprise of Pitti Engineering Limited and its wholly owned subsidiary Pitti Rail and Engineering Components Limited, being the entity that it controls. Control is assessed in accordance with the requirement of Ind AS 110 – Consolidated financial statements.

The Consolidated financial statements have been prepared on an accrual basis and in accordance with the on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Consolidated financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

(b) Significant accounting judgments, estimates and assumptions

The preparation of the Group's Consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management believes that the estimates used in the preparation of Consolidated financial statements are prudent and reasonable.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future period is effected.

(d) Current/ Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

1.5. A. PROPERTY, PLANT AND EQUIPMENT

Freehold land is measured at cost and not depreciated. All other items of property, plant and equipment (includes Tools and Dies) are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes GST eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment, costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are

met. When significant parts of plant and equipment are required to be replaced at intervals, the same were depreciated separately based on their specific useful lives.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

The Group records a provision for dismantling cost towards Plant and Machinery wherever applicable. Dismantling costs are provided at the present value of future expenditure using the current pre-tax rate expected to be incurred to fulfil dismantling obligation and are recognized as part of the cost of the underlined asset. Any change in the present value of expenditure other than unwinding of discount on the provision is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under other non-current assets.

Property, plant and equipment are eliminated from Consolidated financial statements, either on disposal or when retired from active use. Losses arising in the case of the 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.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, Plant and Equipment is provided on straight-line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act,

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

2013, where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing ₹ 5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the assets where the useful life estimated by Management is different from the Act details are given below.

Category of asset	Estimated useful lives as assessed by the Management	Useful lives as per Schedule II to the Act
Factory Building	5-30 years	30 years
Leasehold Building	3-30 years	30 years
Furniture and Fixtures	2-14 years	10 years
Patterns, Match Plates	2-10 years	15 years
Plant & Machinery	2-20 years	15 years
Electricals	2-15 years	10 years
Office Equipment	2-15 years	5 years
Lab & Test Equipment	2-10 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	8-10 years	10 years
Vehicles-Motor Cars	2-8 years	8 years
Computers – Servers	6 years	6 years
Computers – Desktops	3-6 years	3 years
Computer Software	3-10 years	3 years

The useful life of each tool has been estimated in number of strokes; hence Depreciation has also been done on the number of strokes made by each tool during the year. However, if any tool wears out or becomes obsolete before expiry of the estimated life, the remaining value of the tool is depreciated during that year.

B. INTANGIBLE ASSETS

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortization and impairment loss, if any.

Intangible assets including software is amortized over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The estimated useful life and the amortization period of the intangible assets are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Development expenditures on an individual product/project are recognized as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to

complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

Product development cost are amortized on a straight-line basis over a period of 60 months.

Subsequent cost

Subsequent costs incurred for replacement of a major component of an asset are included in the asset's carrying cost or recognized as a separate asset, as appropriate. The carrying values of the replaced components are recognized to statement of Profit and Loss when replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Gains or losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

C. INVESTMENT PROPERTY

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment if any. Depreciation is recognised using the straight-line method so as to amortise the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act 2013. Transfers to or from investment properties are made at the carrying amount when and only when there is a change in use. An item of investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

1.6. IMPAIRMENT OF NON-FINANCIAL ASSETS:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss 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.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.7. REVENUE RECOGNITION

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. While in case of job work services, the same is recognised after the completion of service.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts offered by the Group as part of the contract. Variable considerations are determined based on the most likely amount. Consideration is due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Payment terms with a customer are as per business practice and there is no financing components involved in the transaction price.

(a) Interest income

Interest Income from financial asset is recognized when it is probable that the economic benefits flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

(b) Dividend income

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Other income

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

Income from export incentives under Foreign Trade Policy relating to RodTep, duty drawback, premium on sale of import licenses, and lease license fee are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

1.8. INVESTMENTS

The Group has accounted for its investment in subsidiary at cost less impairment loss (if any).

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the company has elected to present the change in 'Other Comprehensive Income'.

Investments are classified into current and non-current 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 non-current 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.

1.9. INVENTORIES

(a) Inventories include raw material, work in progress, finished goods, scrap and stores, spares and consumables. Work in progress & finished goods are carried at the weighted average cost or net realizable value whichever is lower.

(b) Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost or net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.

(c) The cost of inventories is computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

(d) 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.

1.10. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

1.11. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Items included in the Consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

Foreign exchange differences arising on foreign currency borrowings is disclosed under finance cost, other than on 'Borrowing costs' in accordance with Ind AS 23, which is directly attributable to the acquisition, construction, or production of a qualifying asset forming part of the cost of the asset.

Net gain or loss on foreign currency translations on trade receivables and trade payables is classified under other income or other expenses as the case may be.

(a) Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. 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.

1.12. EMPLOYEE BENEFITS

Short term employee benefits:

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Post-employment benefits

Defined Contribution Plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Contribution as per Employee's Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis

Defined Benefit Plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period

Gratuity: In accordance with applicable Indian Laws, the Group provides gratuity, a defined benefit retirement plan (the Gratuity Plan) covering eligible 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 Group. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date.

Remeasurements comprising of actuarial gains and losses the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Leave Encashment: In accordance with applicable Indian Laws, the Group 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.

Past service costs are recognized in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine Settlements; and

- (ii) Net interest expense or income

Termination Benefits

When the employee early retirement/termination/resignation/withdrawal the normal retirement benefit will be paid based on the service up to the date of exit.

1.13. BORROWING COSTS

Borrowing costs, which are directly attributable to the acquisition/construction or production of a qualifying asset which are the assets that necessarily takes substantial period of time to get ready for intended use or sale 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.

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.

1.14. LEASES

The Group as a lessee

As per Ind AS-116, the Group has recognized lease liabilities and corresponding equivalent right-of-use assets. The Group's lease asset primarily consist of leases for Land, Buildings, Plant & Machinery and Vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves the use of an identified asset.
- (ii) The Group has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.15. 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.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.16. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating

Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.12 for the segment information presented.

1.17. PROVISIONS AND CONTINGENCIES

The Group 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 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.

The expenses relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement.

1.18. TAXATION

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2024 have been made accordingly.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against

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for the year ended 31st March 2024

which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.19. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date i.e. the date that the Company commits to purchase or sell the asset.

However, Trade Receivables that do not contain significant financing components are measured at transaction price.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows,

And

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments

of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses expected credit loss model, for evaluating impairment of financial assets other than those measured at sale value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to :

- The twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument but are possible within twelve months after the reporting date.) : or

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

- Full life time expected credit losses (expected credit losses that result from those default events over the life of the financial instrument).

For trade receivables, the Group applies simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables at every reporting date the existing trade receivables are reviewed and accordingly required credit loss is recognized in books.

For other assets (other than trade receivables), the Group uses twelve months expected credit loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full life time expected credit loss is used.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization

is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative Financial Instrument and Hedge Accounting

The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Consolidated financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

Levels of Risk in Fair Value Measurement:

Level 1 – The fair value of financial instruments quoted in active markets is based on their quoted in active market is based on their quoted closing price at the balance sheet date.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters

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for the year ended 31st March 2024

for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

Level 3 – The fair value of financial instruments that are measured on the basis of entity specific valuation using inputs that are not based on observable market data (unobservable inputs)

1.20. EXCEPTIONAL ITEM

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

1.21. GOVERNMENT GRANT

Government grants including any non-monetary grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognized as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognized as deferred income.

Grants from government authorities relating to income are recognised in the profit or loss as other Income when the reasonable assurance is established as per the terms of the scheme.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE : 2

NOTE : 2A PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	As at	As at	As at	As at	As at	As at	As at	
	01.04.2023	31.03.2024	01.04.2023	31.03.2024	31.03.2024	31.03.2024	31.03.2023	31.03.2023	
Property, Plant & Equipment									
Land	1,969.00	210.34	0.49	2,179.83	-	-	-	2,179.83	
Factory Building	-	-	-	-	-	-	-	-	
- on Own premises	3,587.93	1,255.40	400.35	5,243.68	946.65	160.48	232.48	1,339.61	
- on Lease hold Property	1,459.43	-	-	1,459.43	811.36	54.98	-	866.34	
Office Building	-	-	-	-	-	-	-	-	
- on Lease hold Property	48.37	105.89	-	154.26	3.70	8.67	-	12.37	
Plant & Equipment	34,096.69	5,214.68	709.17	40,020.54	17,844.47	2,930.22	362.06	21,136.75	
Tools	5,713.93	1,332.53	(498.35)	6,548.11	952.94	466.26	(396.16)	1,023.04	
Patterns, Match plates & Mould Box	504.95	56.36	(2.46)	558.85	181.34	68.98	(0.97)	249.35	
Office Equipment	389.28	186.80	(82.59)	493.49	260.84	50.95	(80.33)	231.46	
Furniture & Fixtures	303.16	151.10	(3.88)	450.38	157.86	30.40	(3.71)	184.55	
Other-Computers	363.70	86.42	(53.59)	396.53	268.48	44.68	(50.53)	262.63	
Vehicles	1,212.94	462.41	(39.33)	1,636.02	334.25	167.56	(30.62)	471.19	
Sub Total	49,649.38	9,061.93	429.81	59,141.12	21,761.89	3,983.18	32.22	25,777.29	
Capital Work In Progress	2,405.69	19,416.85	(10,014.77)	11,807.77	-	-	-	11,807.77	

During the current year, ₹ 418.49 lakhs (Previous year ₹ 85.80 lakhs) interest capitalized on term loans.

Capital Work in Progress ageing schedule

Particulars	As at 31st March 2024			As at 31st March 2023		
	Amount in CWIP for a period of			Amount in CWIP for a period of		
	Less than 1 year	1-2 years	More than 2-3 years	Less than 1 year	1-2 years	More than 2-3 years
Projects in progress	11,184.49	623.28	-	11,807.77	2,348.38	57.31
Projects temporarily suspended	-	-	-	-	-	-
Total	11,184.49	623.28	-	11,807.77	2,348.38	57.31

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE : 2B INTANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at	As at	As at	As at	As at	As at	As at	As at		
	01.04.2023	31.03.2024	01.04.2023	31.03.2024	01.04.2023	31.03.2024	31.03.2024	31.03.2023		
Computer Software	833.02	20.03	(326.78)	526.27	726.60	40.28	324.23	442.65	83.62	106.42
Product Development Expenses	2,086.64	-	-	2,086.64	1,273.08	373.05	-	1,646.13	440.51	813.56
Sub Total	2,919.66	20.03	(326.78)	2,612.91	1,999.68	413.33	-	2,088.78	524.13	919.98

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at	As at	As at	As at	As at	As at	As at	As at		
	01.04.2023	31.03.2024	01.04.2023	31.03.2024	01.04.2023	31.03.2024	31.03.2024	31.03.2023		
Land	227.69	-	-	227.69	71.52	17.88	-	89.40	138.29	156.17
Building	2,602.44	-	-	2,602.44	545.63	156.29	-	701.92	1,900.52	2,056.81
Plant and Machinery	6,049.25	2,401.51	(932.79)	7,517.97	874.23	804.16	(387.66)	1,290.73	6,227.24	5,175.02
Vehicles	115.85	46.78	(18.12)	144.51	75.33	17.71	(12.14)	80.90	63.61	40.52
Subtotal	8,995.23	2,448.29	(950.91)	10,492.61	1,566.71	996.04	-	2,162.95	8,329.66	7,428.52

NOTE: 2C RIGHT OF USE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at	As at	As at	As at	As at	As at	As at	As at		
	01.04.2023	31.03.2024	01.04.2023	31.03.2024	01.04.2023	31.03.2024	31.03.2024	31.03.2023		
Land	0.49	-	(0.49)	-	-	-	-	-	-	0.49
Factory Building	452.55	5.00	(457.55)	-	262.14	9.36	(271.50)	-	-	190.41
Sub Total	453.04	5.00	(458.04)	-	262.14	9.36	(271.50)	-	-	190.90
Grand Total (A+B+C+D) Excluding CWIP	62,017.31	11,535.25	(1,305.92)	72,246.64	25,590.42	5,401.91	-	(314.85)	30,029.02	42,217.62
Previous Year	54,296.39	8,385.33	(664.41)	62,017.31	21,624.90	4,465.23	(499.71)	25,590.42	36,426.89	32,671.49

Note: 2D INVESTMENT PROPERTY*

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at	As at	As at	As at	As at	As at	As at	As at		
	01.04.2023	31.03.2024	01.04.2023	31.03.2024	01.04.2023	31.03.2024	31.03.2024	31.03.2023		
Land	0.49	-	(0.49)	-	-	-	-	-	-	0.49
Factory Building	452.55	5.00	(457.55)	-	262.14	9.36	(271.50)	-	-	190.41
Sub Total	453.04	5.00	(458.04)	-	262.14	9.36	(271.50)	-	-	190.90
Grand Total (A+B+C+D) Excluding CWIP	62,017.31	11,535.25	(1,305.92)	72,246.64	25,590.42	5,401.91	-	(314.85)	30,029.02	42,217.62
Previous Year	54,296.39	8,385.33	(664.41)	62,017.31	21,624.90	4,465.23	(499.71)	25,590.42	36,426.89	32,671.49

* During the Current financial year Company started operations, and hence investment property transferred to Property, Plant & Equipment (Previous year Fair Market Value on 05.05.2023 ₹ 1551.89 Lakhs as per valuation report given by registered independent valuer)

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 3A : INVESTMENTS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Investment with Pitti Castings Private Limited (Unquoted)		
a. Equity Shares	287.23	281.52
(40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000) Presented as per Fair Market Value as per Ind AS Requirement (Refer Note)		
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, previous year 1,23,30,000)		
TOTAL OF UNQUOTED INVESTMENTS	1,520.23	1,514.52

Note :

The fair value of investment in PCPL as on the balance sheet date has been considered in accordance with the Valuation report dated 15th June 2023 (Valuation date - 14th June 2023) obtained in relation to the Scheme of amalgamation filed with NCLT for its approval as provided in Note 25.24. (for the previous year fair value as on 31/03/2023 is considered as per valuation report dated 10th May 2023.)

NOTE 3B : OTHER FINANCIAL ASSETS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Term Deposits with Financial Institutions	327.96	807.20
Security Deposits:		
With Lessor	33.39	31.01
With suppliers	16.08	14.34
TOTAL	377.43	852.55

NOTE 4 : OTHER NON CURRENT ASSETS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Capital Advance for Property, Plant and Equipment	6,207.33	2,203.65
Prepaid Expenses - Rent Deposits	41.70	43.75
Gold Coins	1.49	1.49
Deposits:		
With government bodies	151.74	125.69
TOTAL	6,402.26	2,374.58

NOTE 5 : INVENTORIES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
(At lower of cost or Net realisable value)*		
Raw material	16,080.49	13,402.64
Material in Transit - Raw Material	857.54	289.23
Work in process	5,174.16	3,669.33
Finished goods	2,334.28	4,489.04
Stores and spares	2,451.24	2,058.44
Scrap	122.24	22.72
TOTAL	27,019.95	23,931.40

*Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost or net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 6A : INVESTMENTS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd.	1.19	1.07
Face Value 1,000 Equity Shares of ₹ 10/- each (Previous year 1,000) Presented as per Fair Market Value as per Ind AS Requirement		
II. Unquoted		
Saraswat Co-operative Bank Ltd.	0.01	0.01
50 Equity Shares of ₹ 10/- each (Previous year 50)		
S.V. Co-operative Bank Ltd	0.03	0.03
100 Equity Shares of ₹ 25/- each (Previous year 100)		
TOTAL	1.23	1.11

NOTE 6B : TRADE RECEIVABLES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Trade Receivables considered good - Secured*	322.15	-
Trade Receivables considered good - Unsecured	20,742.07	18,188.17
Trade Receivables which have Significant increase in Credit Risk	(15.63)	-
Trade Receivables - credit impaired	(9.37)	(43.54)
TOTAL	21,039.22	18,144.63

*Sales against Letter of Credit

Trade Receivables ageing schedule for the year ended 31 st March 2024

Particulars	₹ in lakhs						
	Outstanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	19,011.99	2,038.39	7.70	2.90	3.11	0.13	21,064.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	(2.88)	(2.09)	(1.24)	(3.11)	(0.05)	(9.37)
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(vii) Less : allowances for Credit losses	-	(11.15)	(2.99)	(1.41)	-	(0.08)	(15.63)
Total {(i)-[(ii)-(iii)]+[(iv)-[(v)-(vi)]-(vii)]}	19,011.99	2,024.36	2.62	0.25	-	-	21,039.22

Trade Receivables ageing schedule for the year ended 31 st March 2023

Particulars	₹ in lakhs						
	Outstanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	16,728.60	1,401.90	10.66	46.88	0.05	0.08	18,188.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	(43.54)	-	-	(43.54)

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 6B : TRADE RECEIVABLES (Contd..)

Particulars	₹ in lakhs						
	Outstanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total {(i)-[(ii)-(iii)]+[(iv)-[(v)-(vi)]}	16,728.60	1,401.90	10.66	3.34	0.05	0.08	18,144.63

NOTE 6C : CASH AND CASH EQUIVALENTS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Cash on Hand	2.37	3.31
Balances with banks		
Current Accounts	1,130.92	1,234.72
EEFC Accounts	1.12	1.11
Term Deposit Accounts with in 3 months of maturity	6,459.00	2,731.00
Cash & Cash equivalents - Total	7,593.41	3,970.14

NOTE 6D : OTHER BANK BALANCES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account (Refer note)	10.20	8.73
Term Deposits - held as margin money for NFB limits	3,286.14	2,537.73
Other Deposits	54.90	-
Other bank balances - Total	3,351.24	2,546.46

Note:

During the year Nil(Previous year an amount of ₹ 3.92 lakhs, was transferred to Investor Education and Protection Fund (IEPF) which is relating to final dividend of the FY 2014-15)

NOTE 6E : OTHER FINANCIAL ASSETS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Interest accrued on Deposits	125.21	86.25
Earnest Money Deposit Amount	14.25	-
TOTAL	139.46	86.25

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 7 : OTHER CURRENT ASSETS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	295.63	1,184.41
Central Excise, Sales tax, GST etc.,	4,368.43	1,981.94
Export Incentive Receivables	340.96	35.66
State Industrial Promotion Subsidy receivables	5,663.25	1,410.86
Income Tax and other taxes	198.58	240.66
Employees	2.92	2.99
Prepaid expenses	658.99	684.86
TOTAL	11,528.76	5,541.38

NOTE 8 : EQUITY SHARE CAPITAL

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
6,00,00,000 Equity Shares of ₹ 5/- each (Previous Year 6,00,00,000)	3,000.00	3,000.00
TOTAL	3,000.00	3,000.00
Issued, Subscribed and Paid up		
3,20,50,067 Equity shares of ₹ 5/- each (Previous year 3,20,50,067)	1,602.50	1,602.50
8,300 Equity Shares forfeited of ₹ 5/- each (Previous year 8,300)	0.42	0.42
TOTAL	1,602.92	1,602.92

Notes

(a) Reconciliation of equity shares

Particulars	₹ in lakhs			
	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50
Issued during the period	-	-	-	-
At the closing of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50

(b) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 5/- each and the holder of the equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation of the Company the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to their share holding.

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

Name	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19
Smt Madhuri S Pitti	17,58,620	5.49	17,58,620	5.49
Pitti Electrical Equipment Pvt Ltd	86,47,267	26.98	86,47,267	26.98

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 8 : EQUITY SHARE CAPITAL (Contd..)

(d) Shares held by promoters at the end of the year

Promoter Name	As at 31.03.2024		As at 31.03.2023		
	No. of Shares	% of Total Shares	No. of shares	% of total shares	% Change during the year
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57	-
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19	-
Smt Madhuri S Pitti*	17,58,620	5.49	17,58,620	5.49	-
Pitti Electrical Equipment Pvt Ltd*	86,47,267	26.98	86,47,267	26.98	-
Sharad B Pitti HUF*	17,000	0.06	17,000	0.06	-

* Promoter Group

(e) Dividend paid:

Particulars	₹ in lakhs	
	2023-24	2022-23
Dividend Paid (₹ in Lakhs)	384.60	753.18
Dividend Paid per share (₹)	1.20	2.35

The Board of Directors have recommended a dividend of ₹ 1.5 per equity share of ₹ 5/- each for the year ended 31st March, 2024 subject to approval of members of the Company at the ensuing 40th Annual General Meeting.

Note 9 : OTHER EQUITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Securities Premium		
At the beginning of the year	8,106.46	8,106.46
Add: during the period	-	-
At the closing of the period	8,106.46	8,106.46
General Reserve		
At the beginning of the year	750.48	750.48
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	750.48	750.48
Retained Earnings		
At the beginning of the year	22,992.52	17,862.21
Less: Final dividend declared for previous year	(384.60)	(272.43)
Add: Profit for the year	9,019.13	5,883.49
Less: Interim dividend for the year	-	(480.75)
Less: Transferred to general reserve during the year	-	-
At the closing of the period	31,627.05	22,992.52
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	(280.97)	138.94
Change in fair value of investments	(183.54)	(187.81)
At the closing of the period	(464.51)	(48.87)
TOTAL	40,019.48	31,800.59

Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities Premium.

The utilization of securities premium will be as per provisions of the Act.

General Reserve

General reserve is created through an annual transfer of net profit in accordance with applicable regulations.

Retained Earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 10 A : BORROWINGS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
A. Secured Loans		
Term Loans from Banks (Refer Note a)	23,247.78	8,996.94
Term Loans from others (Refer Note b)	134.83	184.01
Sub total	23,382.61	9,180.95
Vehicle Loans		
From Lenders (Refer Note c)	401.73	496.96
Sub total	401.73	496.96
Total - A	23,784.34	9,677.91
B. Unsecured loans		
From related parties (Refer Note d)	2,510.00	2,510.00
Total - B	2,510.00	2,510.00
TOTAL - (A+B)	26,294.34	12,187.91

Terms and conditions of Loans and Security

(a) Term Loans from Banks

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023		
	₹	₹	₹	₹		
Term Loans	22,703.32	5,796.99	6,268.17	1,462.96	Monthly/Quarterly instalments payable over remaining period of 6 years.	Notes 1
WCTL/GECL	544.46	3,199.95	657.51	916.83	Monthly instalments payable over remaining period of 5 years	Notes 2
Total - (a)	23,247.78	8,996.94	6,925.68	2,379.79		

(b) Term Loans from Others

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2024	Outstanding Amount as at 31st March 2023		
	₹	₹	₹	₹		
Term Loans	134.83	184.01	49.59	49.59	Monthly instalments payable over remaining period of 4 years	NA
Total - (b)	134.83	184.01	49.59	49.59		
Total - (a+b)	23,382.61	9,180.95	6,975.27	2,429.38		

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029

(d) Unsecured loans ₹ 2,510 lakhs (previous year ₹ 2,510 lakhs) brought in by the promoters and promoters group as subordinate debt to the secured debt, Carrying interest rate in the range of 7.99% to 8.74% p.a

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 10 A : BORROWINGS (contd.)

Notes :

- Pari passu 1st charge on present and future Fixed Assets of the Company and pari passu 2nd charge on present and future Current Assets of the Company and guaranteed by the promoters of the company. Further, SBI is having exclusive charge on immovable properties of Promoters and pledge of 19,44,530 shares of Promoters holding. Term loans carry interest rate in the range of 9.25% to 10.20% p.a.
- WCTL/GECL loans are secured by Pari Passu 2nd charge on present and future Fixed Assets and Current Assets of the Company and 2nd Pari Passu charge on 19,44,530 pledge of shares along with other working capital lenders in consortium and these are repayable at an interest rate range from 9.15% to 9.25%

Note 10B : LEASE LIABILITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Lease Liability	6,258.49	5,403.58
TOTAL	6,258.49	5,403.58

Note 11 : PROVISIONS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for Gratuity*	847.93	157.17
Provision for Leave encashment*	315.11	133.49
Provision for Dismantling of Property, Plant & Equipment#	566.27	526.39
TOTAL	1,729.31	817.05

* Refer note no.25.4

The movement in the provision is towards (i) Additions during the period (ii) unwinding of discount

Note 12 : DEFERRED TAX LIABILITIES (NET)*

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
At the beginning of the year	851.08	912.30
Provision for the year	(485.56)	(61.22)
Closing balance	365.52	851.08

* Refer note no.25.15

Note 13A : BORROWINGS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Working capital borrowings from Banks (Secured) (Refer Note (a))	19,337.82	13,629.36
Current maturities of long term borrowings: (Refer Note (b))		
Term loans	6,975.27	2,429.38
Vehicle loans	91.20	94.18
Inter Corporate Deposit	970.00	650.00
TOTAL	27,374.29	16,802.92

Note:

(a) Working capital facilities are availed at interest rate ranging from 6.27% p.a. to 9.50% p.a. which are secured on a pari passu first charge basis against hypothecation of Inventory (stocks), Trade Receivables and all other current assets both present and future, pari passu second charge on movable and immovable properties of the Company both present and future, pledge of 19,44,530 shares owned by Promoters and secured by way of personal guarantee of the Promoters of the Company

(b) Refer Note 10A

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 13B : LEASE LIABILITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Lease Liability	1,689.94	1,248.55
TOTAL	1,689.94	1,248.55

NOTE 13C : TRADE PAYABLES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Dues to micro enterprises and small enterprises (Refer Note 25.18)*	254.28	136.05
Dues to other enterprises	22,500.89	24,994.29
TOTAL	22,755.17	25,130.34

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.

* The amount mentioned is principal only.

Trade Payables ageing schedule for the year ended 31 st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed dues - MSME	254.28	-	-	-	-	254.28
(ii) Undisputed dues - Others	20,418.16	2,035.96	31.60	15.11	0.06	22,500.89
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv))	20,672.44	2,035.96	31.60	15.11	0.06	22,755.17

Trade Payables ageing schedule for the year ended 31 st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed dues - MSME	136.05	-	-	-	-	136.05
(ii) Undisputed dues - Others	23,875.74	1,087.37	22.79	4.17	4.22	24,994.29
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv))	24,011.79	1,087.37	22.79	4.17	4.22	25,130.34

NOTE 13D : OTHER FINANCIAL LIABILITIES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Unclaimed Dividend	10.20	8.73
Interest accrued*	78.96	26.98
Others	1,176.67	796.78
TOTAL	1,265.83	832.49

*There is no interest payable to MSME vendors during the current or previous year

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 14 : OTHER CURRENT LIABILITIES

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Advances from Customers	77.68	298.31
Other Liabilities	239.39	155.12
TOTAL	317.07	453.43

NOTE 15 : PROVISIONS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for employee benefits :		
Provision for Gratuity	110.58	72.36
Provision for Bonus	388.90	324.97
Provision for Leave encashment	117.61	27.81
TOTAL	617.09	425.14

NOTE 16 : INCOME TAX LIABILITIES (NET)

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for taxation (net)	2,708.77	239.24
TOTAL	2,708.77	239.24

NOTE 17 : REVENUE FROM OPERATIONS

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales & Services:		
Sale of Products	1,33,513.94	1,23,284.27
Job work & Service Income	1,072.20	767.72
Gross Sales & Services (inclusive of GST)	1,34,586.14	1,24,051.99
Less : GST	(13,706.45)	(13,114.22)
Net Sales & Services	1,20,879.69	1,10,937.77
Sale of Products	1,19,925.49	1,10,248.34
Job work & Service Income	954.20	689.43
Net Sales & Services	1,20,879.69	1,10,937.77
Less : Discounts to Customers	(1,705.11)	(1,461.57)
Revenue from Sales & Services	1,19,174.58	1,09,476.20
Export incentives and others	985.06	540.95
Revenue from Operations	1,20,159.64	1,10,017.15

NOTE 18 : OTHER INCOME

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Deposits	267.56	177.86
Profit on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	12.90	21.70
Profit on Lease Modification	0.99	-
State Industrial Promotion Subsidy	4,354.02	1,479.08
Other Misc. Receipts	185.29	104.04
Change in Fair Value of Investments	0.13	0.37
TOTAL	4,820.89	1,783.05

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 19 : COST OF MATERIALS CONSUMED

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	13,691.87	16,900.78
Add: Purchases	83,287.12	74,934.32
Less : Material in Transit - Raw Material	(857.54)	(289.23)
Less: Closing stock	(16,080.49)	(13,402.64)
Consumption	80,040.96	78,143.23

NOTE 20: CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Opening stocks:		
Work-in-process	3,669.33	4,597.69
Finished goods	4,489.04	3,609.12
Scrap	22.72	61.85
Total - A	8,181.09	8,268.66
B. Closing stocks:		
Work-in-process	5,174.16	3,669.33
Finished goods	2,334.28	4,489.04
Scrap	122.24	22.72
Total - B	7,630.68	8,181.09
C. (Increase)/Decrease in stocks (A-B)	550.41	87.57

Note 21 : EMPLOYEE BENEFITS EXPENSES

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Employees remuneration and benefits	9,439.41	7,762.23
Contribution to PF/ESI*	370.76	358.92
Gratuity expenses*	167.84	59.79
Remuneration to Directors	192.72	192.72
Staff welfare expenses	645.75	471.98
TOTAL	10,816.48	8,845.64

*Refer note no.25.4

Note 22 : FINANCE COSTS

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Long term debt*	1,341.56	1,315.98
Interest on short term debt	2,004.12	1,375.51
Interest others	687.59	463.90
Other Finance cost	921.43	1,094.95
Forex Loss/(Gain) (net)	44.60	215.07
TOTAL	4,999.30	4,465.41

*Interest capitalized during the F.Y 2023-24 is ₹ 418.49 lakhs (Previous year ₹ 85.80 lakhs)

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Note 23 : OTHER EXPENSES

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of Stores, Spares, Tools & Dies	2,994.90	1,763.30
Power & fuel	1,402.45	1,056.03
Repairs & Maintenance :		
Plant	358.93	203.47
Building	54.43	17.89
Vehicles	39.98	16.08
Maintenance charges	175.22	121.64
Other Assets	112.88	92.09
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
Other selling & Distribution expenses	733.31	574.40
Packing Cost	1,555.75	1,269.07
Carriage outwards	659.99	538.36
Travelling & Conveyance	431.94	237.59
Insurance	421.72	263.93
Rent	55.77	20.17
Rates & Taxes (Excluding Taxes on Income)	96.39	107.76
Director's Sitting Fees	28.75	23.75
Forex loss on Export Receivables and Imports Payables	111.66	412.04
Remuneration to auditors :	-	-
Audit Fee	15.25	15.25
Tax Audit Fee	5.25	5.25
Certification Fee /Taxation matter	16.05	15.00
Out of Pocket Expenses	1.30	0.75
Communication Expenses	49.95	47.54
Professional consultancy	782.75	533.70
CSR Expenses	131.00	21.61
Miscellaneous Expenses	720.18	402.59
TOTAL	10,980.80	7,802.25

NOTE 24 : TAX EXPENSES

Particulars	₹ in lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	3,523.79	2,130.09
Tax relating to earlier years	(6.48)	(1.31)
Deferred (credit)/expenses	(485.56)	(61.22)
Deferred (credit)/expenses on other comprehensive income	139.79	39.82
TOTAL	3,171.54	2,107.38

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS

25.1. Earnings per share (EPS) from continuing operations

Particulars	₹ in lakhs	
	For the Year 2023 – 24	For the Year 2022 – 23
Earnings		
Profit for the period (₹ in lakhs)	9019.13	5883.49
Shares		
Number of shares at the beginning of the period	32050067	32050067
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	32050067	32050067
Weighted average number of equity shares outstanding during the period	32050067	32050067
Earnings per share of par value ₹ 5/- Basic (₹)	28.14	18.36
Earnings per share of par value ₹ 5/- Diluted (₹)	28.14	18.36

25.2 Contingent Liabilities & Commitment

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
(A) Contingent Liabilities		
a. Claims against the company not acknowledged as debts:		
(i) Service Tax Liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to December, 2011.	68.55*	68.55*
(ii) GST liability for which appeals preferred by the Company is pending with Superintendent of Central tax – Range III, Div-IV, Pune-1 for the FY 2017-18	3.79*	3.79*
(iii) GST liability for which appeals preferred by the Company is pending with Deputy Commissioner State Tax, Pune for the FY 2018-19	0.80*	0.80*
(iv) GST liability for which appeals to be filed with the Commissioner of appeals Hyderabad -1 for the FY 2017-18	10.04*	-
(v) GST liability for which appeals preferred by the Company is pending with the commissioner of appeals Hyderabad -1 for the FY 2016-2017 to 2021-2022.	6.84*	-
(vi) Income Tax Liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18	923.08*	923.08*
(vii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2018-19	5.14*	5.14*
(viii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2020-21	38.24*	38.24*
b. Income Recognized against the scrip generation (under RodTEP scheme) and pending for generation of EBRC	154.70	17.01
c. Duty Payable incase nonperformance of Export obligation in futures periods against EPCG License	235.60	466.74
d. Duty Payable incase nonperformance Export obligation against advance Licenses	0.00	708.52
B) Commitments		
(i) Bank guarantees	1166.22	1236.45
(ii) Estimated amount of liability on account of Capital Commitments	6857.85	4546.57

* No provision is considered since the Company expects favorable decision and the above liability is excluding Interest and Penalty. The company has deposited 193.30 lakhs towards Income Tax liabilities which are classified under "Income tax and other taxes" under Current Assets.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.3. Capital management.

The Group Capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Group determines the amount of capital required based on an annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Group monitors the capital structure based on net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings excluding lease obligations less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarizes the capital, net debt, and net debt to equity ratio of the Company.

Particulars	₹ in lakhs	
	As at March 31, 2024	As at March 31, 2023
Equity Share Capital	1602.92	1602.92
Other Equity	40019.48	31800.59
Total equity (A)	41622.40	33403.51
Non-Current borrowings	26294.34	12187.91
Current borrowings	27374.29	16802.92
Gross debt (B)	53668.63	28990.83
Total capital (A+B)	95291.03	62394.34
Gross debt as above	53668.63	28990.83
Less: Current investments	1.23	1.11
Less: Cash and cash equivalents	7593.41	3970.14
Less: Other balances with financial institutions	3669.00	3344.93
Net debt (C)	42404.99	21674.66
Net Debt to Equity	1.02	0.65

25.4. Employee Benefit Plans

AS per Indian Accounting Standard 19 – "Employee Benefits", the disclosures as defined are given below :

A) Defined Benefit Plan

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

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Discount Rate	7.10 %	7.39 %	7.10 %	7.39%
Rate of increase in Compensation levels	8% p.a	2% p.a.	8% p.a	2% p.a.
Rate of Return on Plan Assets	7.10 %	7.39%	0 %	0%
Expected Average remaining working lives of employees (years)	24 yrs	24 yrs	24 yrs	24 yrs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation as at the beginning of the year	509.90	482.35	161.30	149.50
Interest Cost	36.24	31.60	10.32	8.77
Current Service Cost	155.08	49.26	107.73	37.29
Benefits paid	(39.12)	(81.36)	(43.29)	(53.96)
Actuarial (gain)/ loss on obligations	558.76	28.05	196.66	19.70
Present Value of Obligation as at the end of the year	1220.86	509.90	432.72	161.30

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in Lakhs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	1220.86	509.90	432.72	161.30
Fair Value of Plan Assets as at the end of the year	262.35	280.37	-	-
Funded Status	(958.51)	(229.53)	(432.72)	(161.30)
Net Asset / (Liability) Recognized in Balance Sheet	(958.51)	(229.53)	(432.72)	(161.30)
Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost	155.08	49.26	107.73	37.29
Past Service Cost	-	-	-	-
Interest Cost	36.24	31.60	10.32	8.77
Expected Return on Plan Assets	(19.27)	(21.07)	-	-
Net actuarial (gain)/ loss recognized in the year	561.14	31.74	196.66	19.70
Expenses Recognized in the Statement of Profit & Loss	733.18	91.53	314.71	65.76
Acquisition Adjustments	4.20	-	-	-
Fair Value of the Planned Assets at the beginning of the year	280.37	244.35	-	-
Employer's contribution	-	100.00	-	-
Interest on Planned Assets	16.89	17.38	-	-
Actual return on plan assets less interest on plan assets	-	-	-	-
Benefits paid	(39.11)	(81.36)	-	-
Asset acquired/(settled)	-	-	-	-
Present Value of Planned Assets at the end of the year	262.35	280.37	-	-

Maturity profile of defined benefit obligation (on an undiscounted basis) – Gratuity

₹ in lakhs

Particulars	2023-24	2022-23
With next 12 months	27.64	9.69
Between 2 to 5 years	282.68	182.39
Between 6 to 10 years	386.21	209.20
More than 10 years	3862.18	954.50

Rate of return for the plan asset

Particulars	2023-24	2022-23
Guaranteed Rate of Return	6.43%	6.85%
Discounted Rate for remaining term to Maturity of Investment	7.10	7.39
Expected Rate of Return on Investment	7.10	7.39

Sensitivity Analysis – Gratuity Plan

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

₹ in Lakhs

Particulars	Gratuity Plan			
	As at 31.03.2024		As at 31.03.2023	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	1374.39	1092.67	555.89	470.24
Change in Rate of Salary Growth (Delta effect of +/-1%)	1078.50	1388.62	460.93	567.37
Change in Rate of Attrition (Delta effect of +/-50%)	1210.90	1231.16	490.36	528.04
Change in Mortality Rate (Delta effect of +/-10%)	1218.80	1222.94	505.07	514.67

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

B) Defined Contribution Plan

Contribution to Defined Contribution plan, recognized as expense for the year is as under:

₹ in lakhs

Description	2023-24	2022-23
Employer Contribution to ESI	32.44	36.03
Employer Contribution to PF	307.07	294.94
Employer Contribution to pension scheme	30.90	27.55
Labor welfare fund	0.35	0.40
Total	370.76	358.92

25.5. Details of consumption of Raw Material

₹ in lakhs

Description	2023-24	2022-23
Imported	2953.70	5748.52
Indigenous	77087.26	72394.71
TOTAL	80040.96	78143.23

25.6. Stock and Turnover of Manufactured and Traded goods

₹ in Lakhs

Description	For the Year 2023-24			For the Year 2022-23		
	Turnover	Closing	Opening	Turnover	Closing	Opening
		Inventory	Inventory		Inventory	Inventory
Sale of Products	118220.38	2456.52	4511.76	108786.77	4511.76	3670.97
Sale of Services	954.20	-	-	689.43	-	-
TOTAL	119174.58	2456.52	4511.76	109476.20	4511.76	3670.97

25.7. Stock of Work in process

₹ in lakhs

Description	As at 31.03.2024	As at 31.03.2023
Work/Material in process	5174.16	3669.33
TOTAL	5174.16	3669.33

25.8. CIF Value of Imports

₹ in lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Capital goods	4598.62	5155.60
Raw Materials	2237.98	3313.18
Stores and Spares	344.88	160.93
TOTAL	7181.48	8629.71

25.9. Earnings in Foreign Currency

₹ in lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
FOB value of Exports	44347.70	37166.63

25.10. Expenditure in Foreign Currency

₹ in lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Travelling and others	489.00	402.11
Total	489.00	402.11

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.11. 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:

- Details of investment made are given in Note 3A & 25.13
- There are no guarantees issued by your Group in accordance with section 186 of the Companies Act, 2013 read with rules issued there under

25.12. Segment Reporting

Segments are identified in line with Indian Accounting Standards (Ind AS) 108 "Operating Segments", taking into consideration the internal organization and management structure.

Operating Segments are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance and for which discreet information is available.

The operating segment of the Group is identified to be manufacturing of "Engineering Products of Iron and Steel" and the CODM reviews business performance at an overall Group level as one segment. Hence no separate disclosure is provided.

Information by Geographies:

In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) Revenue from External Customers:

Sl. No	Segment Revenue	₹ in lakhs	
		For the Year 2023-24	For the Year 2022-23
a)	India	81533.46	74749.16
b)	Outside India	43447.07	37051.04
	TOTAL	124980.53	111800.20

b) Assets:

Segment Assets	₹ in lakhs	
	Carrying amount of Assets	
	As at 31.03.2024	As at 31.03.2023
India	117459.00	87332.95
Outside India	15539.58	10462.65
TOTAL	132998.58	97795.60

c) Revenue from Major Customers:

Details of single external customer from whom the Company receives more than 10% of the revenue:

Revenue from two customers of the Company, having more than 10% of the total revenue aggregating to ₹ 63128.18 lakhs (previous year three customers ₹ 49934.28 lakhs).

25.13. Financial Instruments

(A) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

₹ in lakhs

Fair value hierarchy	Particulars	Quoted prices in			
		Total	Significant	Significant	
			active markets	observable inputs	unobservable inputs
		Level 1	Level 2	Level 3	
31-March-24					
Financial Asset					
	Investment in equity instruments	1521.46	1.19	1520.23	0.04
	Security Deposits	49.47	-	-	49.47
Financial Liability					
	Borrowings	53668.63	-	-	53668.63
	Total	55239.56	1.19	1520.23	53718.14
31-March-23					
Financial Asset					
	Investment in equity instruments	1515.63	1.07	1514.52	0.04
	Security Deposits	45.35	-	-	45.35
Financial Liability					
	Borrowings	28990.83	-	-	28990.83
	Total	30551.81	1.07	1514.52	29036.22

(B) Financial Risk Management

The Company has exposure to the following risk:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

Liquidity Risk:

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Market Risk:

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.14. Related party disclosures

List of Related parties

I Wholly Owned Subsidiary

- (i) Pitti Rail and Engineering Components Limited

II Entity having significant influence over the entity

- (i) Pitti Electrical Equipment Private Limited

III Key Management Personnel

Executive Promoter Directors

- (i) Shri Sharad B Pitti, Founder & Chairman
(ii) Shri Akshay S Pitti, Managing Director & Chief Executive Officer

Independent & Non-Executive Directors

- (i) Ms. Gayathri Ramachandran, Independent Director
(ii) Shri G. Vijaya Kumar, Independent Director
(iii) Shri M. Gopalakrishna, Independent Director
(iv) Shri N.R Ganti, Independent Director
(v) Shri S. Thiagarajan, Independent Director
(vi) Shri Y B Sahgal, Independent Director (From 09-11-2023)
(vii) Shri DV Aditya, Independent Director (10-08-2022 to 21-10-2022)

Others

- (i) Shri N.K Khandelwal, President Corporate Resource & CFO (till 13.04.2022)
(ii) Shri M Pavan Kumar, Chief Financial Officer (From 12.11.2022)
(iii) Ms. Mary Monica Braganza, Company Secretary & Chief Compliance Officer

IV Other Related Parties with whom transactions have taken place

The Enterprises over which KMP or relatives of KMP having significant influence.

- (i) Pitti Casting Private Limited
(ii) Pitti Trade & Investment Private Limited

The Relative of Executive Promoter Directors

- (i) Smt Madhuri S Pitti
(ii) Smt Radhika A Pitti
(iii) Sharad B Pitti (HUF)

A. Transactions/balances outstanding with related parties:

For the Financial Year 2023-24

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	302.56	15.25	317.81
2	Rent / Lease Expenses	-	110.88	204.30	315.18
3	Rent / Lease Income	-	-	1.74	1.74
4	Purchases of goods	31.89	-	13253.17	13285.06
5	Purchases of Property, plant & equipment	-	-	36.51	36.51
6	Job work charge	-	-	3.45	3.45

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
7	Sales of goods	-	-	539.52	539.52
8	Job work income	-	-	129.39	129.39
11	Interest paid	212.04	-	-	212.04
12	Amount payable at the year end	2547.59	34.80	1155.81	3738.20
13	Amount receivable at the year end	-	20.21	40.02	60.23
14	Investments at the year end	-	-	1520.23	1520.23

Note: As per Regulation 2(1)(ZC) (ii) SEBI LODR Regulations Dividend paid by Listed entity to related party as part of Corporate action is not a related party transaction, Accordingly dividend paid to related party is not included in the above statement.

For the previous Financial Year 2022-23

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	247.70	15.21	262.91
2	Rent / Lease Expenses	-	104.16	194.57	298.73
3	Rent / Lease Income	-	-	1.65	1.65
4	Purchases of goods & services	836.18	-	7830.78	8666.96
5	Sales of goods & services	-	-	1330.96	1330.96
6	Unsecured Loan - received	-	2700.00	-	2700.00
7	Unsecured Loan - repaid	-	5210.00	-	5210.00
8	Inter Corporate Deposits - received	5575.00	-	-	5575.00
9	Inter Corporate Deposits - repaid	3065.00	-	-	3065.00
10	Interest paid	145.20	144.14	-	289.34
11	Amount payable at the year end	3194.98	18.46	520.67	3734.11
12	Amount receivable at the year end	-	20.21	619.89	640.10
13	Investments at the year end	-	-	1514.52	1514.52

B. Disclosure pursuant to regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Transaction with Promoter / Promoter Group holding more than 10% of equity share capital of the Company

₹ in lakhs

Sl. No	Particulars	For the Year 2023-24	For the Year 2022-23
1	Shri Sharad B Pitti		
-	Remuneration	98.78	98.78
-	Lease Rental	110.88	104.16
-	Dividend	-	102.22
-	Amount Payable at the year end	5.34	5.57
-	Amount Receivable at the year end (Rent deposit)	20.21	20.21
2	Shri Akshay S Pitti		
-	Remuneration	98.78	98.78
-	Dividend	-	99.37
-	Interest on Unsecured Loans	-	144.14
-	Unsecured Loans Received	-	2,700.00
-	Unsecured Loans Repaid	-	5,210.00
-	Amount Payable at the year end	4.63	5.22

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Sl. No	Particulars	₹ in lakhs	
		For the Year 2023-24	For the Year 2022-23
3	Pitti Electrical Equipment Pvt Ltd		
-	Interest on Inter Corporate Deposits	212.04	145.20
-	Purchase of Goods	31.89	836.18
-	Dividend	-	203.21
-	Intercorporate Deposits Received	-	5575.00
-	Intercorporate Deposits Repaid	-	3065.00
-	Amount Payable at the year end	2547.59	3194.98

Note: As per Regulation 2(1)(ZC) (ii) SEBI LODR Regulations Dividend paid by Listed entity to related party as part of Corporate action is not a related party transaction, Accordingly dividend paid to related party is not included in the above statement.

25.15. Deferred Tax

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2023	Statement of Profit & Loss	Other Comprehensive income	₹ in lakhs	
					Deferred Tax (Liability)/ Asset as at 31.03.2024	
Deferred tax assets:						
1	Provision for Lease liability As per IND AS 116	767.63	407.84	-		1175.47
2	Employee benefits	226.87	126.64	-		353.51
3	Provision for Dismantling Cost of Property, plant & equipment	132.48	10.04	-		142.52
4	Remeasurement of defined benefit plans	-	-	141.23		141.23
5	Others	12.67	86.05	(1.44)		97.28
	Total-(a)	1139.65	630.57	139.79		1910.01
Deferred tax liabilities:						
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(1924.09)	(276.02)	-		(2200.11)
2	Remeasurement of defined benefit plans	(46.72)	-	-		(46.72)
3	Others	(19.92)	(8.78)	-		(28.70)
	Total (b)	1990.73	(284.80)	-		(2275.53)
	Deferred Tax Net (a-b)	(851.08)	345.77	139.79		(365.52)

25.16. The Group 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 Group could not deposit the same with the appropriate authority.

25.17. The assessment for impairment of assets has taken place at the end of reporting period as per guidelines laid down in Ind AS 36, 'Impairment of assets'. For the assets having recoverable amount less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the resulting impairment loss is recognised in profit or loss.

25.18. Micro, Small and Medium Enterprises Development Act, 2006

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) is given below:

Sl. No	Description	₹ in lakhs	
		Year 2023-24	Year 2022-23
1	Principal amount outstanding and not due to suppliers under MSMED	254.28	136.05
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	-	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	-	-
4	Interest paid to suppliers covered under MSMED	-	-
5	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

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 Group.

25.19. Additional Information as required by paragraph 2 of the general Instructions for preparation of consolidated Statements to Schedule III to the companies Act, 2013

Particulars	As at 31st March 2024		Year Ended 31st March 2024					
	Net Assets i.e Total		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	Assets minus Total Liabilities							
	As a % of Consoli-dated net assets	Amt	As a % of Consoli-dated profit or Loss	Amt	As a % of other compre-hensive income	Amt	As a % of total compre-hensive income	Amt
Parent								
Pitti Engineering Limited	100.01%	41628.18	100.01%	9019.75	100%	(415.64)	100.01%	8604.11
Subsidiary								
Pitti Rail & Engineering Components Limited	0.01%	4.22	(0.01) %	(0.62)	-	-	(0.01) %	(0.62)
Total Elimination	(0.02) %	(10.00)	-	-	-	-	-	-
Total	100%	41622.40	100%	9019.13	100%	(415.64)	100%	8603.49

Particulars	As at 31st March 2023		Year Ended 31st March 2023					
	Net Assets i.e Total		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	Assets minus Total Liabilities							
	As a % of Consoli-dated net assets	Amt	As a % of Consoli-dated profit or Loss	Amt	As a % of other compre-hensive income	Amt	As a % of total compre-hensive income	Amt
Parent								
Pitti Engineering Limited	100.02%	33408.67	100%	5883.28	100%	(118.40)	100%	5764.88
Subsidiary								
Pitti Rail & Engineering Components Limited	0.00%	(0.16)	0%	0.21	-	-	100%	0.21
Total Elimination	(0.02)%	(5.00)	-	-	-	-	-	-
Total	100%	33403.51	100%	5883.49	100%	(118.40)	100%	5765.09

25.20. Right of Use of Assets

For the Financial Year 2023-24

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2023	156.17	2056.80	5175.03	40.52	-	7428.52
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	2401.51	46.78	-	2448.29
Deletions/Adjustments	-	-	545.13	5.98	-	551.11
Depreciation	17.88	156.29	804.16	17.71	-	996.04
Balance as on 31st March 2024	138.29	1900.51	6227.25	63.61	-	8329.66

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

For the Financial Year 2022-23

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2022	174.05	2229.48	5832.00	64.57	-	8300.10
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	1064.77	-	-	1064.77
Deletions/Adjustments	-	16.13	997.77	-	-	1013.90
Depreciation	17.88	156.55	723.97	24.05	-	922.45
Balance as on 31st March 2023	156.17	2056.80	5175.03	40.52	-	7428.52

25.21. Letters have been written for confirmation of balances pertaining to debtors and creditors and reply from certain parties are awaited.

25.22. Financial and Derivative Instruments:

Description	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Forward Contracts	11460.08	9744.75

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

25.23. Statutory Auditor's Remuneration

Sl. No	Description	₹ in lakhs	
		Year 2023-24	Year 2022-23
1	Statutory Audit	15.25	15.25
2	Tax Audit	5.25	5.25
3	Certification fee / Taxation matter	16.05	15.00
4	Out of Pocket Expenses	1.30	0.75

25.24. The Previous year figures have been regrouped/rearranged to the extent necessary to Conform with the current period's classification. All the numbers have been rounded off to the nearest lakh.

25.25. Business Combinations

Scheme of Amalgamation

The Board of Directors at their meeting held on 15th June 2023 considered and approved the Scheme of Amalgamation among Pitti Castings Private Limited (PCPL) and Pitti Rail and Engineering Components Limited (PRECL) and Pitti Engineering Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and the rules framed thereunder (Scheme).

The Scheme, inter-alia, provides for amalgamation of PCPL and PRECL with Pitti Engineering Limited.

The amalgamation of PCPL is proposed to be undertaken with the objective of achieving vertical integration, broaden the Company's footprint across the supply chain and enhance the Company's margins and profitability. The amalgamation of PRECL is proposed to be undertaken with the objective of simplifying the corporate structure and elimination of duplication in administrative cost and multiple record keeping thus resulting in cost savings.

The Board of the Company has recommended the following share exchange ratio for the amalgamation of PCPL with the Company:

01 (One) equity share of PEL of INR 05/- each, fully paid-up for every 55 (Fifty-Five) equity shares of PCPL of INR 10/- each, fully paid-up ("Share Exchange Ratio")

Since all the shares of PRECL are held by the Company, no consideration shall be payable pursuant to the amalgamation of PRECL.

The Company had filed the Scheme with Stock Exchanges on 26th June 2023 and received their no objection on 26th October 2023. Further, the Company has received approval from the shareholders and creditors pursuant to an National Company Law

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Tribunal (NCLT) convened meeting on 22nd March 2024. A joint petition has been filed with the NCLT, Hyderabad bench on 29th March 2024 and the same is reserved for hearing on 07th June 2024. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial results for the quarter and year ended 31st March 2024.

Acquisition:

Consequent to the Share Purchase Agreement dated 11th March 2024, entered into between the Company and Shri Chaitra Sundaresh, Smt Ronak Bagadia (Sellers) and Bagadia Chaitra Industries Private Limited (BCIPL), the Company has completed the acquisition of 100% of the equity share capital of BCIPL on 6th May 2024. With this acquisition, BCIPL is now a wholly owned subsidiary of the Company w.e.f. 6th May 2024.

25.26. Key Ratios

S. no	Particulars	Numerator	Denominator	₹ in lakhs		
				31.03.2024	31.03.2023	Variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	1.25	1.20	4.17%
2.	Debt- Equity Ratio (in times)	Debt *	Equity	1.29	0.87	48.28% Note 1(a)
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	2.01	2.90	(30.69) Note 1(b)
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	24.04%	19.04%	5.00%
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	4.72	4.30	9.77%
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	6.13	5.70	7.54%
7.	Trade Payables Turnover ratio (in times)	Net Purchase	Average payables	3.85	3.40	13.24%
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	8.62	12.10	(28.76)% Note 1(c)
9.	Net Profit Ratio (in %)	Net profit	Net sales	7.51%	5.35%	2.16%
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	16.21%	17.01%	(0.80)%
11.	Return on Investment (in%)	Earnings from invested funds	Average invested funds	Nil	Nil	

*Debt excludes lease liabilities.

Note1:

- Increase in Debt Equity ratio due to Increase in Term loans to the extent Property, Plant & Equipment got increased and increase in utilization of working capital limits.
- Decrease in debt service coverage ratio due to increase in Term loans.
- Decrease in Net Capital Turnover ratio due to increase in utilization of working limits.

Definitions:

- Current Assets = Total Current Assets as per Balance Sheet
- Current Liabilities = Total Current Liabilities as per Balance Sheet
- Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet
- Equity/Shareholder Equity = Total Equity as per Balance Sheet
- EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings
- Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)
- Average Inventory = (Opening Inventory + Closing Inventory)/2
- Average Receivables = (Opening Receivables + Closing Receivables)/2
- Average Payables = (Opening Payables + Closing Payables)/2

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

- (j) Working Capital = Current Assets – Current Liabilities
 (k) Capital Employed = Total Assets- Current Liabilities
 (l) Earnings from Investor Funds = Earnings from Investments
 (m) Average Investment Funds = (Opening Investment s+ Closing Investments)/2

25.27. Other Statutory Information

- (i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.
- (iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (iv) The Group does not have any transactions with companies struck off.
- (v) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (vi) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017.
- (vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Group has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).

(x) Corporate Social Responsibility (CSR) :

Sl. no.	Particulars	₹ in lakhs	
		Year ended 31 March 2024	Year ended 31 March 2023
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	130.63	90.39
b.	Less : Excess incurred Previous Financial year	(0.70)	(69.48)
c.	Net amount should be incurred for the during the period	129.93	20.91
d.	Amount of expenditure incurred	131.00	21.61
e.	(Excess)/Shortfall at the end of the year	(1.07)	(0.70)
f.	Total of previous years shortfall	-	-
g.	Reason for shortfall	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Sl. no.	Particulars	₹ in lakhs	
		Year ended 31 March 2024	Year ended 31 March 2023
h.	Nature of CSR Activities	1) Promotion of Health Care 2) Protection of National Heritage 3) Promotion of National Recognized Sports 4) Animal Welfare 5) Promotion of Education &	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance 3) Education
i.	Details of related party transactions, e.g., contribution to a trust controlled by the company	Nil	Nil
j.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

- (xi) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

As per our report of even date

For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377

Amit Shah
Partner
M.No:122131

Place: Hyderabad
Date : 15th May 2024

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

Sharad B Pitti
Founder & Chairman
DIN:00078716

G Vijaya Kumar
Director
DIN:00780356

Place: Hyderabad
Date : 15th May 2024

Akshay S Pitti
Managing Director &
Chief Executive Officer
DIN:00078760

M Pavan Kumar
Chief Financial Officer
M. No: 216936

Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
M. No:F5532

Form No. AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient feature of the financial statement of subsidiaries / associate companies/ joint ventures

PART-A: Subsidiaries

₹ in lakhs

Sl. no.	Particulars	Details
1.	Name of the subsidiary	Pitti Rail and Engineering Components Limited (Wholly Owned Subsidiary)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Date of acquiring subsidiary	5th October 2020
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
5.	Share capital	10.00
6.	Reserves & surplus	(5.78)
7.	Total Assets	4.60
8.	Total Liabilities	0.38
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	(0.62)
12.	Provision for taxation	Nil
13.	Profit after taxation	(0.62)
14.	Proposed Dividend	Nil
15.	% of shareholding	100%

Note: The Wholly Owned Subsidiary is yet to commence its commercial operations.

PART – B: Associate Companies / Joint Ventures: Not Applicable

As per our report of even date

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377

Sharad B Pitti
Founder & Chairman
DIN:00078716

Akshay S Pitti
Managing Director &
Chief Executive Officer
DIN:00078760

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
M. No:F5532

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

Notice

Notice is hereby given that the 40th Annual General Meeting of Pitti Engineering Limited will be held on Friday, 20th September 2024 at 4.00 P.M IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:

- a) the audited financial statements of the Company for the financial year ended 31st March 2024 and the reports of the Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March 2024 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

- b) the audited consolidated financial statements of the Company for the financial year ended 31st March 2024 and the report of the Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended 31st March 2024 and the report of the Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

2. To declare a final dividend on equity shares of the Company for the year ended 31st March 2024 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT the final dividend of ₹ 1.50/- (30%) per equity share of face value ₹ 5/- each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March 2024 and the same be paid out of the profits of the Company."

3. To appoint a Director in place of Shri Akshay S Pitti (DIN:00078760), who retires by rotation and being eligible, offers himself for re-appointment and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri Akshay S Pitti (DIN:00078760) who retires by rotation at this meeting and being eligible for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

Special Business:

4. To ratify the payment of remuneration to the Cost Auditors for the financial year 2024-25 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, as amended from time to time, 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 2025 amounting to ₹ 3,00,000/- (Rupees three lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified."

5. To appoint Shri Vinod Kumar Nagururu (DIN: 00121111) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any of the Companies Act 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Shri Vinod Kumar Nagururu (DIN: 00121111) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August 2024 and who holds office upto the date of this Annual General Meeting in terms of section 161 of the Act and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years commencing from 14th August 2024 to 13th August 2029.

RESOLVED FURTHER THAT pursuant to Regulation 17 (1A) of the SEBI Listing Regulations, approval be and is hereby given for continuation of Shri Vinod Kumar Nagururu beyond 2nd June 2026 as an Independent Director of the Company on account of his attaining the age of 75 years on the said date."

6. To appoint Ms. Kemisha Soni (DIN: 06805708) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any of the Companies Act 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, Ms. Kemisha Soni (DIN: 06805708) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August 2024 and who holds office upto the date of this AGM in terms of section 161 of the Act, and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years commencing from 14th August 2024 to 13th August 2029.”

7. To appoint Ms. Priti Paras Savla (DIN: 00662996) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any of the Companies Act 2013 (“the Act”), the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Schedule IV to the Act and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended, Ms. Priti Paras Savla (DIN: 00662996) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th August 2024 and who holds office upto the date of this AGM in terms of section 161 of the Act and who meets the criteria for independence as provided in Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations, and who has submitted a declaration to that effect, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation and to hold office for a term of five consecutive years commencing from 14th August 2024 to 13th August 2029.”

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

Mary Monica Braganza
Company Secretary & Chief Compliance Officer
FCS:5532

Place: Hyderabad
Date: 14th August 2024

Notes:

- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) relating to the Special Business to be transacted at the AGM is annexed hereto. Details of Directors retiring by rotation is provided in the “Annexure-1” to the Notice.
- The Ministry of Corporate Affairs (“MCA”) has, vide its circular dated 25th September 2023, read together with circulars dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 14th December 2021, 5th May 2022 and 28th December 2022 (collectively referred to as “MCA Circulars”), permitted convening the AGM through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Act read with Rules made thereunder and the SEBI Listing Regulations, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. Further, SEBI vide its circulars dated 12th May 2020, 15th January 2021, 13th May 2022, 5th January 2023 and 7th October 2023 (SEBI Circulars) and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.
- In compliance with the aforesaid Circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/RTA. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company’s website www.pitti.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
- Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with XL Softech Systems Limited in case the shares are held by them in physical form.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to MCA and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

- The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in 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 and will also be available for electronic inspection by the members from the date of circulation of this Notice up to the date of this AGM. Members seeking to inspect such documents can send an e-mail to shares@pitti.in.
- Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 18th September 2024 through email on shares@pitti.in. The same will be replied by the Company suitably.
- The register of members and share transfer books of the Company will remain closed from Saturday, 14th September 2024 to Friday, 20th September 2024 (both days inclusive) for determining the entitlement of the shareholders for the final dividend for the financial year ended 31st March 2024 and for annual book closure.
- Members are requested to:
 - Intimate/update changes, if any, in their postal address, email address, mobile number, PAN, nominations, power of attorney, bank details such as name of the bank and branch, bank account number, IFS code etc, to the Registrar and Transfer Agent of the Company in case of shares held in physical form and to their Depository Participants in case the shares are held by them in dematerialized form.
 - Submit the following mandated forms along with requisite supporting documents while making their request for change/updation. The said forms are also available on the website of the Company at www.pitti.in.

Sl. No.	Particulars	Form
1	Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes /updation thereof	ISR-1
2	Confirmation of Signature of shareholder by the Banker	ISR-2
3	Registration of Nomination	SH-13
4	Cancellation or Variation of Nomination	SH-14
5	Declaration to opt out of Nomination	ISR-3
6	Service requests for issue of duplicate securities, certificates, claim from unclaimed suspense account, renewal/ exchange of securities certificate	ISR-4

c) SEBI vide Circular No. SEBI/HO/MIRSD/MIRSDPoD-1/P/ CIR/2023/37 dated 16th March 2023 (subsumed as part of the SEBI Master Circular No. SEBI/HO/ MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024), in supersession of earlier Circular(s), has prescribed common and simplified norms for processing investor service requests by RTAs and norms for furnishing PAN, KYC (contact details, bank details and specimen signature), and nomination details.

As per the said Circular, it is mandatory for the shareholders holding securities in physical form to, inter alia, furnish PAN, KYC, and nomination details. Physical folios wherein the said details are not available would be eligible for lodging grievance or any service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically with effect from April 1, 2024 upon registering the required details.

In view of the above, members are requested to submit their PAN, KYC and nomination details to the Company's registrars XL Softech Systems Limited. The forms for updation of PAN, KYC, bank details and nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13 are available on our website https://www.pitti.in/investor_desk/investors_si_f_srf.php.

11. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

12. Instructions for e-voting and joining the AGM are as follows:

Voting Through Electronic Means

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

ii. The remote e-voting period commences on Tuesday, 17th September 2024 (9:00 a.m. IST) and ends on Thursday, 19th September 2024 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday 13th September 2024 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Board of Directors has appointed Shri Ajay Kishen (Membership No.6298, CP 5146) Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.com. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

In case of individual shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in demat mode".

The details of the process and manner for remote e-voting are explained herein below:





Step 1: Access to NSDL e-voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-voting system

Details on Step 1 are mentioned below:

A. Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities 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

NSDL	CDSL
<p>1. Users already registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <ul style="list-style-type: none"> i. Visit URL: https://eservices.nsdl.com ii. Click on the button "Beneficial Owner" available for login under 'IDeAS' section. 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. 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>2. Users not registered for IDeAS e-Services facility of NSDL may follow the following procedure:</p> <ul style="list-style-type: none"> i. To register click on the link: https://eservices.nsdl.com ii. Select "Register Online for IDeAS" or click on the link: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp iii. Click on the icon "Login" which is available under 'Shareholder/Member' section. 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. v. After successful registration, please follow Point No. 1 above to cast your vote. <p>3. Shareholders can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">   </div> <div style="text-align: center;">   </div> </div>	<p>1. Users already registered for Easi / Easiest facility of CDSL may follow the following procedure:</p> <ul style="list-style-type: none"> i. Visit URL: https://web.cdslindia.com/myeasitoken/home/login or https://www.cdslindia.com/ and click on login and then on New System Myeasi. ii. Click on "New System Myeasi" icon/ Login to Myeasi option under Quick Login iii. Login with your Registered User ID and Password. 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>2. Users not registered for Easi/Easiest facility of CDSL may follow the following procedure:</p> <ul style="list-style-type: none"> i. To register click on the link: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration ii. After successful registration, please follow Point No. 1 above to cast your vote. <p>3. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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 or joining virtual meeting and voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot 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 evoting@nsdl.com or call at 022-48867000

Login type	Helpdesk details
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 helpdesk.evoting@cdslindia.com or contact at 1800 21 09911

B. Login method for e-voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-voting website?

- 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.
- Once the home page of e-voting system is launched, click on the icon 'Login' which is available under "Shareholders/Member" section.
- A new screen will open. You will have to enter your User ID, your Password/OTP 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.
- Your User ID details are given below:

Manner of holding	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***

6. Password details for shareholders other than individual Shareholders are given below:

- If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
 - 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'.
 - 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.

- 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.
- 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.

- Alternatively shareholder / members may send an e-mail request to evoting@nsdl.com for procuring User ID and password for e-voting by providing above mentioned documents.
- If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
 - 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.
 - "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - 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.
 - Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
 - After entering your password, click on Agree to Terms and Conditions" by selecting on the check box.
 - Now, you will have to click on "Login" button.
 - After you click on the "Login" button, Home page of e-voting will open.

Details on Step 2 are mentioned below:

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

- 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.
- Select "EVEN" of the Company, for which you wish to cast your vote during the remote e-voting period and casting your vote during the Annual General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-voting as the Voting page opens.
- 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.
- Upon confirmation, the message 'Vote cast successfully' will be displayed.

- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- 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.com Institutional shareholders (i.e. other than individuals, HUF, NRI etc) can also upload their Board Resolution / Power of Attorney / Authority letter etc by clicking on "Upload Board Resolution / Authority letter" displayed under "e-Voting" tab in their login.
- 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.
- 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 022-48867000 or send a request at evoting@nsdl.com

The instructions for members for e-voting on the day of the AGM are as under:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM through VC /OAVM. However, they will not be eligible to vote at the AGM.
- The contact details for any grievances connected with the facility for e-Voting on

the day of the AGM shall be the same person mentioned for remote e-voting.

Instructions for members for attending the AGM through VC/ OAVM are as under

- a) Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- d) Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter placed at the 40th AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at shares@pitti.in before 3:00 p.m. (IST on 18th September 2024). Such questions by the Members shall be suitably replied by the Company.
- e) Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at shares@pitti.in from 14th September 2024 (9:00 a.m. (IST)) to 17th September 2024 (3:00 p.m. (IST)). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM and make, not later than 2 working days of the conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorized by him in writing and the Results shall be declared by the Chairman or any person authorized by him thereafter.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.pitti.in and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

13. Dividend Related Information

Subject to approval of the Members at the AGM, the final dividend will be paid within 30 days from the conclusion of the AGM, to the Members whose names appear on the Company's Register of Members as on 13th September 2024 and in respect of the shares held in dematerialised mode, to the Members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.

Payment of dividend shall be made through electronic mode to the Members who have updated their bank account details.

Members are requested to register / update their complete bank details with their Depository participant(s) with which they maintain their demat accounts, if shares are held in dematerialised mode, by submitting forms and documents as may be required by the Depository Participant(s) and the process to be followed for updation of bank details, if shares are held in physical mode, is given in Note No.10 in this Notice.

Tax Deductible at Source (TDS) / Withholding tax

In terms of the provisions of the Income-tax Act, 1961, ("the Act"), dividend paid or distributed by a Company on or after 1st April 2020 is taxable in the hands of the shareholders. Accordingly, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The TDS / withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company / XL Softech Systems Limited (RTA).

A. For resident shareholders

Tax will be deducted at source ("TDS") under Section 194 of the Act at 10% on the amount of dividend payable unless exempt under any of the provisions

of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during financial year does not exceed ₹ 5,000/-.

Tax at source will not be deducted in cases where a shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can be downloaded from the Company website at www.pitti.in. Please note that all fields mentioned in the Form are mandatory and Company may reject the forms submitted, if it does not fulfil the requirement of law.

Needless to mention, valid Permanent Account Number ("PAN") will be mandatorily required. Shareholders who do not have PAN or whose PAN is invalid due to not being linked with Aadhar, TDS would be deducted at higher rates u/s 206AA of the Act.

NIL / lower tax shall be deducted on the dividend payable to following resident shareholders on submission of self-declaration (as per format available on the company website at www.pitti.in) as listed below:

- i. Insurance companies: Declaration by shareholder qualifying as Insurer as per section 2(7A) of the Insurance Act, 1938 along with self-attested copy of PAN card;
- ii. Mutual Funds: Declaration by Mutual Fund shareholder eligible for exemption u/s 10(23D) of the Income-tax Act, 1961 along with self-attested copies of registration documents and PAN card;
- iii. Alternative Investment Fund (AIF) established in India: Declaration that the shareholder is eligible for exemption under section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI regulations. Copy of self-attested registration documents and PAN card should be provided.
- iv. New Pension System Trust: Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- v. Other shareholders – Declaration along with self-attested copy of documentary evidence supporting the exemption and self-attested copy of PAN card.
- vi. Shareholders who have provided a valid certificate issued u/s. 197 of the Act for lower / nil rate of deduction or an exemption certificate issued by the income tax authorities along with Declaration.

B. For non-resident shareholders (including Foreign Institutional Investors and Foreign Portfolio Investors)

Tax is required to be withheld in accordance with the provisions of Section 195 and section 196D of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. In case non resident shareholders provide a certificate issued under section 197/195 of the Act, for lower / NIL withholding taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same. However, as per Section 90 of the Act, a nonresident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to the shareholder. For this purpose, i.e. to avail the tax treaty benefits, the non-resident shareholder will have to provide the following:

- i. Self-attested copy of PAN card, if any, allotted by the Indian income tax authorities; In case PAN is not available, the non resident shareholder shall furnish (a) name, (b) e-mail ID, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.
- ii. Self-attested copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident;
- iii. Form 10F and its acknowledgement submitted online on income tax website <https://www.incometax.gov.in/iec/foportal/>;
- iv. Self-declaration by the non-resident shareholder specifically addressed to the Company of meeting treaty eligibility requirement and satisfying beneficial ownership requirement (Non-resident having PE in India would need to comply with provisions of section 206AB of the Act).
- v. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate.
- vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidence demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

The self-declarations referred to above can be downloaded from the website of the Company www.pitti.in under Investor Desk section.

Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholders and meeting requirement of Act read with applicable tax treaty. In absence of the same, the Company will not be obligated to apply the beneficial DTAA rates at the time of tax deduction on dividend amounts.

Note: The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before 20th September, 2024.

Section 206AB of the Act

Rate of TDS @10% u/s 194 of the Act is subject to provisions of section 206AB of Act (effective from 1 July 2021) which introduces special provisions for TDS in respect of non-filers of income-tax return. As provided in section 206AB, tax is required to be deducted at higher of following rates in case of payments to specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- at the rate of 5%.

Where sections 206AA and 206AB are applicable i.e. the specified person has not submitted the PAN / not filed the return or PAN not linked with Aadhar; the tax shall be deducted at the higher of the two rates prescribed in these two sections.

The term 'specified person' is defined in sub section (3) of section 206AB who satisfies the following conditions:

- A person who has not filed the income tax return for two preceeding previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Income Tax Act has expired; and
- The aggregate of TDS and TCS in his case is ₹ 50,000 or more in each of the previous year.

The non-resident who does not have the permanent establishment is excluded from the scope of a specified person.

The Company will use the mechanism prescribed by Income tax department to verify if a shareholder is a 'specified person' under section 206AB of the Income Tax Act and basis the result provided, the Company will apply higher rates under section 206AB of the Income Tax Act on those shareholders who are covered as 'specified person' under section 206AB of the Act.

Section 139AA of the Act

Further, as per Section 139AA of the Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall

be required to link the PAN with Aadhaar. In case of failure to comply to this, from 1st July 2023, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking.

To enable us to determine the appropriate TDS / withholding tax rate applicable, we request you to provide the above details and documents not later than 20th September 2024.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident shareholders receiving dividend upto ₹ 5000 or in case Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- 10% for other resident shareholders in case copy of PAN card is provided/available.
- NIL / lower withholding tax rate for resident shareholders on submission of self-attested copy of the certificate issued under section 197 of the Act.
- 20% for resident shareholders if copy of PAN card is not provided / not available / non filers of return of income/ PAN not linked with Aadhar.
- Tax will be assessed on the basis of documents submitted by the non-resident shareholders.
- 20% plus applicable surcharge and cess for non-resident shareholders in case the relevant documents are not submitted.
- Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under section 197/195 of the Act.

Aforesaid rates will be subject to applicability of section 206AB of the Act.

In terms of Rule 37BA of Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed by the Rules on or before 20th September 2024. The Company will not accept any declarations referred to Rule 37BA of Income Tax Rules, 1962 after 20th September 2024.

In case tax on dividend is deducted at a higher rate in the absence of receipt or defect in any of the aforementioned details / documents, you will be able to claim refund of the excess tax deducted by filing your income tax return. No claim shall lie against the Company for such taxes deducted.

Other Information

- For shareholders having multiple accounts under different status / category Shareholders holding equity shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable

to status in which shares are held under a PAN will be considered on their entire holding in different accounts.

- Clearing member should ensure that as on record date no shares are lying in their account.
- Please note the form 15H, 15G, 10F and Self declaration forms for Residents and Non-Residents are available on the website of the Company at www.pitti.in. Kindly note that the aforementioned documents should be emailed to shares@pitti.in and in the prescribed format. If the Non-Resident declarations are not received in the prescribed format, Company reserves the right to reject the same. No communication on the tax determination / deduction shall be entertained after 20th September 2024.

Explanatory Statement under section 102 of the Companies Act, 2013

Item No. 4

The Board of Directors of the Company at the meeting held on 15th May 2024, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. S S Zanwar & Associates, Cost Accountants to conduct an audit of cost records maintained by the Company for the financial year ending 31st March 2025. In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, are concerned or interested, financially or otherwise, in the resolution set out in Item No.4 of the notice.

The Board recommends the ordinary resolution set out at Item No.4 of the notice for approval by the Members.

Item No. 5 to 7

The Board of Directors at their meeting held on 14th August 2024, based on the recommendations of the Nomination and Remuneration Committee appointed Shri Vinod Kumar Nagururu (DIN: 00121111), Ms. Kemisha Soni (DIN: 06805708) and Ms. Priti Paras Savla (DIN: 00662996) as Additional Directors of the Company (categorised as Non-Executive Independent Director) for a term of five years from 14th August 2024 till 13th August 2029 subject to the approval of the Members of the Company.

The Profile of the said Directors are provided below:

Shri Vinod Kumar Nagururu aged 73 years is a fellow member of the Institute of Chartered Accountants of India (ICAI). He has over 35 years of experience in Central Public Sector Undertakings. He started his career in 1977 as a Junior officer in Wester Coal fields, He worked in various capacities in National Mineral Development Corporation Limited, Electronics Corporation of India Ltd, Praga Tools Ltd and Bharat Dynamics Limited. He retired from Bharat Dynamics Limited after serving for 8 years in senior level and 7 years as Director (Finance) from

June 2004 to 2011. During his tenure at Bharat Dynamics he played a pivotal role in identifying and providing key inputs to the Board facilitating strategic decisions; negotiated and finalized remunerative prices with Ministry of Défense, Government of India; Headed several committees including committee for finalization of contract of supply of "Akash Missile Systems" Ministry of Défense; Had unique experience on financial management matters in a wide spectrum of situations from severely stressed company to cash rich company; Designed required internal control systems, procedures leading to sound corporate governance practices.

Post retirement he was a Member on the State Audit Advisory Board, Principal Accountant General (Audit); Was an Independent External Monitor for Mishra Dhatu Nigam Limited (MIDHANI) and a Member of the Committee of External Experts of Bharat Dynamics Limited.

Ms. Kemisha Soni, aged 53 years is a Chartered Accountant with over 2 decades of experience in Accounting, Audit and Taxation services. Ms. Kemisha is the Managing partner of GDK & Associates, Chartered Accountants and has advised clients across a variety of industry domains. She is experienced in the field of auditing, primarily in statutory, tax and forensic auditing. She is also experienced in risk management audit, internal audit and management audit. She has handled many engagements as Regional Arbitrator at the BSE and NSE.

Ms. Kemisha is a qualified legal professional and holds diploma in Information System Audit, Certificate course on Concurrent Audit of Banks, Certificate course on Arbitration Mediation and Conciliation, Certificate course on Forensic Accounting & Fraud Detection, Certificate Course on Public Finance and Government Accounting, and Social Auditor Certification Examination.

Few of her professional achievements are enumerated below:

- Presently serving as an elected member on the Central Council of the ICAI for the third consecutive term in 2022-25 (since 2016).
- The first woman chairperson of the Central Region of ICAI in the year 2010-11.
- Nominated member of the Institute of Social Auditors of India (A Self-Regulatory Organisation set up by ICAI)
- Nominated member of the National Institute of Public Finance and Policy (NIPFP), New Delhi - an autonomous research institute under the Ministry of Finance.
- Nominated member of the Project Management Monitoring Committee under the Welfare of Minorities and Development Department (Govt. of ASSAM).
- Member of Investors Grievances Redressal Committee (IGRC) BSE limited.
- SEBI Nominated Director to the Board of Madhya Pradesh Stock Exchange and Madhya Pradesh Stock Exchange Director future & option segment.

Ms. Priti Paras Savla, aged 46 years is a fellow member of the Institute of Chartered Accountants of India and partner in K P B & Associates. She has over 24 years of experience in areas of strategic planning, business advisory, corporate governance, ESG advisory, CSR & impact assessment, audit and risk mitigation.

She has also pursued diploma in Information System Audit, Certificate Course on Forensic Accounting & Fraud Detection, Insolvency Professional – IBBI, Entrepreneurship Management course from Indian School of Business and Social Auditor examination conducted by NISM.

Ms. Priti Paras Savla is a central council member of the Institute of Chartered Accountants of India (ICAI) for the year 2022-2025. She is also the Chairperson of Sustainability Reporting Standard Board, ICAI; Member of Sustainability Standards Advisory Forum of International Sustainability Standards Board (ISSB) of IFRS Foundation; Chairperson of the Women Members Excellence Committee, ICAI; Vice Chairperson of the Board of Internal Audit & Management Accounting, ICAI.

The aforesaid Directors have given their consent to act as Directors and have also provided declarations stating that they meet the criteria of independence as provided in the Act and SEBI Listing Regulations and not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as an Independent Director of the Company. They have also confirmed that they are not disqualified from being appointed as a Director under the Act and are not debarred from holding the office of a Director pursuant to any order issued by the Securities and Exchange Board of India. They have also confirmed that they are in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to their registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

The Company has received notice in writing in the prescribed manner as required under section 160 of the Companies Act, 2013 proposing the candidature of these Directors as Independent Directors of the Company.

In the opinion of the Board the aforesaid directors are persons of integrity, fulfil the conditions for appointment as Independent Directors as specified in the Act and SEBI Regulations. They

are independent of the management and possess appropriate skill, expertise and knowledge as identified by the Board for the Directors of the Company.

The Independent Directors shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof as may be decided by the Board and reimbursement of expenses for participating in the Board or Committee meetings.

The Board having regard to the rich experience and expertise of the above directors, considers that their association would be of immense benefit to the Company. The Board recommends their appointment as Independent Directors for approval of the Members.

In terms of Regulation 17 (1A) of SEBI Listing Regulations appointment of a Non-Executive Director beyond the age of 75 years requires the consent of the Members by way of a special resolution. In view of the experience and expertise of Shri Vinod Kumar Nagururu, the Board recommends for the continuation of his appointment as Independent Director beyond 2nd June 2026 on account of his attaining the age of 75 years on that date.

The copy of the terms and conditions of appointment of the aforesaid Independent Directors is available for inspection by the Members. Members seeking to inspect the same can send an email to shares@pitti.in.

Shri Vinod Kumar Nagururu, Ms. Kemisha Soni and Ms. Priti Paras Savla are interested in their respective resolution for appointment. Relatives of the said Director's may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out in Item No. 5 to 7 of the notice.

The Board recommends the special resolutions set forth at Item No. 5 to 7 for the approval of the Members.

The details of the Independent Directors as required under Regulation 36 of SEBI Listing Regulations and the Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India are provided in Annexure-2 to the Notice.

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

Mary Monica Braganza
Company Secretary & Chief Compliance Officer
FCS:5532

Place: Hyderabad
Date: 14th August 2024

Details of Director seeking appointment / re-appointment at the Annual General Meeting

Name	Shri Akshay S Pitti
DIN	00078760
Age	38 years
Date of first appointment on the Board	14.10.2004
Expertise in specific functional area	Industrial Management
Profile	Shri Akshay S Pitti joined the Company in 2003 and has held a whole-time director position since October 2004. He underwent training in various function within the company gaining extensive insight into the business. He was responsible for developing the export market of the Company from scratch during the period 2004-2012 taking it up to 50% of revenues at that time. During the same period, he was also tasked with acquiring new technology and setting up the second manufacturing facility of the company one of the largest in the country at that time. With his elevation to Jt. Managing Director in 2010, he spearheaded the transition to value added assemblies and in house machining. In 2011 he was given the role of Vice-Chairman and Managing director, during this period he transformed the company by reorganising the manufacturing facilities, closing old and inefficient factories, setting up the mega factory in Aurangabad. He has been the driving force of the transformation of the company through initiatives like machined components, inorganic and organic growth strategies, adoption of cutting-edge technologies and operational efficiency.
Directorship held in other Companies as on date of AGM Notice	Pitti Rail and Engineering Components Limited (Unlisted) Pitti Castings Private Limited (Unlisted) Pitti Electrical Equipment Private Limited (Unlisted) Pitti Holdings Private Limited (Unlisted) Pitti Components Limited (Unlisted) Pitti Trade and Investment Private Limited (Unlisted) Bagadia Chaitra Industries Private Limited (Unlisted)
Membership / Chairmanship of Committees of other Boards	NIL
Shareholding in the Company as on date of AGM Notice	42,28,414 equity shares
Relationship with other Directors / Key Managerial Personnel	Son of Shri Sharad B Pitti. Not related to any other Director or Key Managerial Personnel
Listed Entities from which resigned in the past three years	Nil

For other details please refer to the Corporate Governance Report

Annexure-2

Name	Shri Vinod Kumar Nagururu	Ms. Kemisha Soni	Ms. Priti Paras Savla
DIN	00121111	06805708	00662996
Date of Birth	2nd June 1951	28th August 1970	13th September 1977
Age	73 years	53 years	46 years
Date of first appointment on the Board	14th August 2024	14th August 2024	14th August 2024
Profile, qualification, experience and expertise in specific function area	Refer to explanatory statement	Refer to explanatory statement	Refer to explanatory statement
Terms & conditions of Appointment	Appointment as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years commencing from 14th August 2024 to 13th August 2029	Appointment as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years commencing from 14th August 2024 to 13th August 2029	Appointment as an Independent Director of the Company not liable to retire by rotation for a term of five consecutive years commencing from 14th August 2024 to 13th August 2029
Remuneration proposed to be paid	Sitting fee for attending meetings of the Board or Committees thereof as approved by the Board.	Sitting fee for attending meetings of the Board or Committees thereof as approved by the Board.	Sitting fee for attending meetings of the Board or Committees thereof as approved by the Board.
Past remuneration	Not Applicable	Not Applicable	Not Applicable
Shareholding in the Company as on date of this Notice	Nil	Nil	Nil
Number of meetings attended during the current financial year 2024-25	1 (one)	1 (one)	1 (one)
Relationship with other Directors / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel.	Not related to any Director / Key Managerial Personnel.	Not related to any Director / Key Managerial Personnel.
Other Directorship as on date of this Notice	Aryakube Capital Private Limited (Unlisted)	Poonawalla Fincorp Limited – (Listed) Multi Commodity Exchange Clearing Corporation Limited (Unlisted) Institute of Social Auditors of India (Unlisted) Extensible Business Reporting Language (XBRL) India (Unlisted) Bridging Care Private Limited (Unlisted) Ujjain Smart City Limited (Unlisted) ICAI Accounting Research Foundation (Unlisted)	IRB Infrastructure Developers Limited (Listed) Apcotex Industries Limited (Listed) Sun Pharma Laboratories Limited (Debt listed) ITI Mutual Fund Trustee Private Limited (Unlisted) Perch Strategic Advisors Private Limited (Unlisted) SI Creva Capital Service Private Limited (Unlisted) NSE Clearing Limited (Unlisted) Institute of Social Auditors of India (Unlisted) Perch Foundation (Unlisted)

Name	Shri Vinod Kumar Nagururu	Ms. Kemisha Soni	Ms. Priti Paras Savla
Membership / Chairmanship of Committees of other Boards	Nil	1. Multi Commodity Exchange Clearing Corporation Limited a. Audit Committee – Chairperson b. Stakeholders Relationship Committee - Member 2. Ujjain Smart City Limited a. Audit Committee - Chairperson	1. IRB Infrastructure Developers Limited a. Audit Committee - Member 2. Sun Pharma Laboratories Limited a. Audit Committee – Chairperson 3. NSE Clearing Limited a. Audit Committee – Chairperson 4. Apcotex Industries Limited a. Audit Committee – Member b. Stakeholders Relationship Committee – Member 5. SI Creva Capital Service Private Limited a. Audit Committee-Chairperson
Listed entities from which the Director has resigned from Directorship in the last three years.	Nil	Nil	Nil
Skills and capabilities required for the role and manner in which the Director meets such requirements.	Shri Vinod Kumar Nagururu possess the following skill sets identified by the Board: <ul style="list-style-type: none"> Governance and Board Service Business understanding Risk / Legal / Regulatory Compliance Information Technology / Accounting / Financial Experience Strategy Development and Implementation 	Ms. Kemisha Soni possess the following skill sets identified by the Board: <ul style="list-style-type: none"> Governance and Board Service Business understanding Risk / Legal / Regulatory Compliance Information Technology / Accounting / Financial Experience Strategy Development and Implementation 	Ms. Priti Paras Savla possess the following skill sets identified by the Board: <ul style="list-style-type: none"> Governance and Board Service Business understanding Risk / Legal / Regulatory Compliance Information Technology / Accounting / Financial Experience Strategy Development and Implementation
No of shares held:			
(a) Own	None	None	None
(b) For other persons on beneficial interest	None	None	None

Notes

Lined area for notes, consisting of 20 horizontal lines.

Corporate Information

Board of Directors

Designation

Table listing Board of Directors and Designation for various individuals including Shri Sharad B Pitti, Shri Akshay S Pitti, Ms. Gayathri Ramachandran, etc.

Shri M Pavan Kumar
Chief Financial Officer

Ms. Mary Monica Braganza
Company Secretary & Chief
Compliance Officer

Factory

Survey No. 1837 & 1838
Jingoniguda Road
Nandigaon Village & Mandal
Ranga Reddy District – 509 223
Telangana, India
Survey No. 1837, Jingoniguda Road
Nandigaon Village & Mandal
Ranga Reddy District – 509 223
Telangana, India
Survey No.1603 & 1607,
Nandigaon Village & Mandal,
Ranga Reddy District – 509 223
Telangana, India
Gut No. 194, Limbe Jalgaon Village
Gangapur Mandal
Aurangabad District – 431 133
Maharashtra, India

Registered Office

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

Statutory Auditors

Talati & Talati LLP
Chartered Accountants
Ambica Chambers
Near Old High Court
Navrangpura
Ahmedabad - 380 009

Registrar and Transfer Agent

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

Bankers

State Bank of India
Kotak Mahindra Bank Limited
Canara Bank
SVC Co-Operative Bank Limited



Pitti Engineering Limited

Registered Office

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

T: +91 40 2331 2774/2331 2770

Email: info@pitti.in

CIN: L29253TG1983PLC004141