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 **PITTI ENGINEERING 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 31st March 2023, 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 significant 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 31st March 2023, their consolidated profit including other comprehensive income, their 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 31st March, 2023. 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 preparation of 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 matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements 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 financials 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 31st March, 2023 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 matter

Corresponding figures for the year ended 31st March 2022 have been audited by another auditor who expressed an unmodified opinion dated 23rd May 2022 on the consolidated financial statements of the Company for the year ended 31st March 2022. our opinion on the consolidated financial statements is not modified in respect of this matter.

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 have been kept by the 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 Statement of Cash Flows, and the consolidated Statement of Changes in Equity dealt with by this Report agree 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 31st March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March 2023 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 in its financial statements – Refer to Note 25.02 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 31st March, 2023;

        (iii) There were no such amounts that were required to be transferred to the Investor Education and Protection Fund during the year ended 31zt March 2023.

        (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, 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 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, 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 (a) and (b) 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
Membership Number: 122131
UDIN: 23122131BGYHKQ2037

Place of Signature: Hyderabad
Date: 29th May 2023

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 31st March, 2023)

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 2023, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 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 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 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 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 consolidated 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 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 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 and its subsidiary company which is incorporated in India, have, 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 2023, 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: 23122131BGYHKQ2037

Place of Signature: Hyderabad
Date: 29th May 2023

Consolidated Balance Sheet

as at 31st March 2023

₹ in lakhs

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	27,887.49	22,785.15
(b) Capital work-in-progress	2A	2,405.69	61.23
(c) Intangible Assets	2B	919.98	1,382.42
(d) Right of use of Assets	2C	7,428.52	8,300.10
(e) Investment property	2D	190.90	203.82
(f) Financial Assets			
(i) Investments	3A	1,514.52	1,641.00
(ii) Other financial assets	3B	852.55	189.89
(g) Other non-current assets	4	2,374.58	2,318.36
TOTAL NON - CURRENT ASSETS		**43,574.23**	**36,881.97**
CURRENT ASSETS			
(a) Inventories	5	23,931.40	27,228.71
(b) Financial Assets			
(i) Investments	6A	1.11	0.73
(ii) Trade receivables	6B	18,144.63	20,426.46
(iii) Cash and Cash equivalents	6C	3,970.14	763.81
(iv) Other bank balances	6D	2,546.46	2,740.43
(v) Other financial assets	6E	86.25	87.76
(c) Other current assets	7	5,541.38	7,527.02
TOTAL CURRENT ASSETS		**54,221.37**	**58,774.92**
TOTAL ASSETS		**97,795.60**	**95,656.89**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,602.92	1,602.92
(b) Other equity	9	31,800.59	26,788.68
TOTAL EQUITY		**33,403.51**	**28,391.60**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	12,187.91	11,018.84
(ii) Lease Liability	10 B	5,403.58	5,291.10
(iii) Other Financial Liabilities		0.36	0.36
(b) Provisions	11	817.05	780.28
(c) Deferred tax liabilities(net)	12	851.08	912.30
TOTAL NON-CURRENT LIABILITIES		**19,259.98**	**18,002.88**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	16,802.92	21,423.95
(ii) Trade payables	13B		
Dues to micro and small enterprises		136.05	131.73
Dues to other enterprises		24,994.29	21,889.97
(iii) Other financial liabilities	13C	832.49	852.10
(iv) Lease liability	13D	1,248.55	1,542.56
(b) Other current liabilities	14	453.43	1,481.99
(c) Provisions	15	425.14	376.90
(d) Income tax liabilities (net)	16	239.24	1,563.21
TOTAL CURRENT LIABILITIES		**45,132.11**	**49,262.41**
TOTAL EQUITY AND LIABILITIES		**97,795.60**	**95,656.89**

Significant accounting policies 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
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman &
Managing Director
DIN:00078760

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Statement of Profit & Loss

for the year ended 31st March 2023

₹ in lakhs

Particulars	Notes	For the Year ended 31.03.2023	For the Year ended 31.03.2022
INCOME			
Revenue from operations	17	1,10,017.15	95,382.38
Other income	18	1,782.68	1,642.55
TOTAL INCOME		**1,11,799.83**	**97,024.93**
EXPENSES			
Cost of Materials consumed	19	78,143.23	69,425.51
Changes in inventories of work-in-process, finished goods and scrap	20	87.57	(1,610.57)
Employee benefits expenses	21	8,662.85	7,847.11
Finance costs	22	4,465.41	3,960.50
Depreciation and amortization expenses	2	4,465.23	3,887.68
Other expenses	23	7,985.04	6,458.08
TOTAL EXPENSES		**1,03,809.33**	**89,968.31**
Profit before tax		**7,990.50**	**7,056.62**
TAX EXPENSES	24		
(a) Current tax		2,130.09	1,955.15
(b) Tax relating to earlier years		(1.31)	10.20
(c) Deferred tax		(21.49)	(95.69)
TOTAL TAX EXPENSES		**2,107.29**	**1,869.66**
Profit for the period		**5,883.21**	**5,186.96**
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(31.74)	2.93
Change in fair value of non-current investment		(126.48)	-
Change in fair value of current investment		0.37	(0.33)
Income tax relating to items that will not be recalssified subsequently to profit or loss		39.73	(0.65)
(ii) Items that will be reclassified subsequently to profit or loss		-	-
Total other comprehensive income		**(118.12)**	**1.95**
Total Comprehensive Income		**5,765.09**	**5,188.91**
Earnings per Equity Share of Face Value of ₹ 5/- each	25.1		
(a) Basic		18.36	16.18
(b) Diluted		18.36	16.18

Significant accounting policies 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
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman &
Managing Director
DIN:00078760

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Statement of Changes In Equity

for the year ended 31st March 2023

(a) Equity Share Capital

₹ in lakhs

Particulars	Note No.	
Balance as at 1 April , 2021		**1,602.92**
Changes in equity share capital during the year		-
Balance as at 31 March 2022	8	**1,602.92**
Balance as at 1 April , 2022		**1,602.92**
Changes in equity share capital during the year		-
Balance as at 31 March , 2023	8	**1,602.92**

(b) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income		
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Total Other Equity
Balance as on 1 April , 2021	8,106.46	750.48	13,051.83	(92.91)	160.50	21,976.36
Profit and loss during period	-	-	5,186.31	-	-	5,186.31
Fair Valuation of investments	-	-	-	(0.33)	-	(0.33)
Actuarial Gain Loss	-	-	-	-	2.93	2.93
Total Comprehensive Income for the current year	**8,106.46**	**750.48**	**18,238.14**	**(93.24)**	**163.43**	**27,165.27**
Dividends	-	-	(376.59)	-	-	(376.59)
Balance as on 31 March, 2022	**8,106.46**	**750.48**	**17,861.55**	**(93.24)**	**163.43**	**26,788.68**
Balance as on 1 April , 2022	8,106.46	750.48	17,861.55	(93.24)	163.43	26,788.68
Profit and loss during period	-	-	5,883.21	-	-	5,883.21
Fair Valuation of investments	-	-	-	(94.37)	-	(94.37)
Actuarial Gain Loss	-	-	-	-	(23.75)	(23.75)
Total Comprehensive Income for the current year	**8,106.46**	**750.48**	**23,744.76**	**(187.61)**	**139.68**	**32,553.77**
Dividends	-	-	(753.18)	-	-	(753.18)
Balance as on 31 March, 2023	**8,106.46**	**750.48**	**22,991.58**	**(187.61)**	**139.68**	**31,800.59**

Significant accounting policies 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
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman &
Managing Director
DIN:00078760

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Cash Flow Statement

for the year ended 31st March 2023

₹ in lakhs

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	**7,990.50**		**7,056.62**	
Adjusted for				
Depreciation and amortisation expenses	4,465.23		3,887.68	
Interest Income	(177.86)		(96.39)	
Credit Risk Impaired	43.54		70.60	
Credit Risk Allowance	(0.55)		(61.11)	
Loss / (Profit) on sale of fixed assets (net)	(21.70)		(30.14)	
Re-measurement gains/(losses) on employee defined benefit plans	(31.74)		2.93	
Re-measurement gains/(losses) on Investments	(126.11)		(0.33)	
Loss on current financial assets measured at FVTPL	126.11		0.33	
Advance received for Asseets held for sale	-		(385.00)	
Unrealised foreign exchange differences	75.94		256.13	
Finance Costs	4,465.43	16,808.79	3,960.50	14,661.82
Operating Profit before Working Capital changes		**16,808.79**		**14,661.82**
Working Capital changes adjusted for				
Trade & Other financial and non financial assets	3,491.32		(7,750.25)	
Inventories	3,297.31		(11,506.62)	
Trade Payables and other financial and non finacial liabilities	2,071.50		15,178.94	
		8,860.13		**(4,077.93)**
Cash generated from operations		**25,668.92**		**10,583.89**
Direct Taxes Paid		(3,452.75)		(1,792.76)
Cash Flow before extraordinary items		**22,216.17**		**8,791.13**
Net Cash Flow From Operating Activities - (A)		**22,216.17**		**8,791.13**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & equipment and intangibles		(9,570.85)		(6,148.40)
Advances to Property, Plant & equipment and intangibles		(63.10)		(1,542.26)
ROU Assets as per IND AS 116		(1,047.45)		(1,707.17)
Proceeds from sale of fixed assets		171.48		73.70
Interest income received		156.77		45.70
Net Cash used in Investing Activities - (B)		**(10,353.15)**		**(9,278.43)**

Consolidated Cash Flow Statement

for the year ended 31st March 2023

₹ in lakhs

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Payments for Principal portion of lease liability	(178.66)	90.57
Cash Payments for interest portion of lease liability	(2.87)	(14.68)
Proceeds from Borrowings - Noncurrent (including current maturities)	3,819.65	9,097.55
Repayment of Borrowings - Noncurrent (including current maturities)	(3,177.58)	(4,281.34)
Borrowings - Current (Net)	(4,094.03)	(96.78)
Finance charges	(4,465.78)	(3,532.14)
Term Deposit Accounts with financial institutions	195.76	334.68
Payment of Dividend	(751.39)	(376.59)
Unclaimed dividend	(1.79)	1.83
	(8,656.69)	**1,223.10**
Net Cash used in Finance Activities - (C)	**(8,656.69)**	**1,223.10**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**3,206.33**	**735.80**
Opening Balance in Cash and Cash Equivalents	**763.81**	**28.01**
Closing Balance in Cash and Cash Equivalents	**3,970.14**	**763.81**
Components of cash and cash equivalents:		
Cash on hand	**3.31**	**9.69**
Balances with banks		
Current accounts	1,234.72	753.09
EEFC accounts	1.11	1.03
Term deposit within 3 months of maturity (without lien)	2,731.00	-
Total cash and cash equivalents	**3,970.14**	**763.81**

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
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman &
Managing Director
DIN:00078760

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

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 Financial Statements after the issue.

1.3. PRINCIPLES OF CONSOLIDATION

(a) 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.

(b) 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.

(c) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(d) 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 comprises 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

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

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 Consolidated 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 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

All other assets are classified 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.

1.4. 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

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

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 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	8-30 years	30 years
Furniture and Fixtures	2-10 years	10 years
Patterns, Match Plates	5-10 years	15 years
Plant & Machinery	2-20 years	15 years
Electricals	2-15 years	10 years
Office Equipment	3-15 years	5 years
Lab & Test Equipment	2-10 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	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

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.

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

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

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.

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. 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.

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. Consideration is due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

(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.

1.6. 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.

1.7. INVENTORIES

(a) Inventories include raw material, work in progress, finished goods, scrap and stores, spares and consumables and is carried at the weighted average cost or net realizable value whichever is lower.

(b) 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.

(c) 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.

1.8. 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 (₹), 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.

1.9. EMPLOYEE BENEFITS

Defined Contribution Plan

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

Short term employee benefits are recognised on an undiscounted basis whereas Long term employee benefits are recognised on a discounted basis.

Defined Benefit Plan

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.

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.

Measurements, 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.

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

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.

1.10. BORROWING COSTS

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

Borrowing costs, which are directly attributable to the acquisition/construction or production of a qualifying asset, 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.

1.11. 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.

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.

1.12. IMPAIRMENT

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

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

(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.

1.13. 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.

1.14. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chairman and Managing Director and Vice Chairman and Managing Director have been identified as the Chief Operating Decision Maker. Refer note 25.11 for the segment information presented.

1.15. 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.

1.16. 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 2022 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.

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

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.

1.17. 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 recognized initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

However, Trade receivables that do not contain a significant financing component 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
- 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.

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

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

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)

1.18 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.

1.19 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 compiled 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 recognised as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognised as deferred income.

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 2

NOTE 2A: PROPERTY, PLANT AND EQUIPMENT, CAPITAL WORK IN PROGRESS

₹ in lakhs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2022	ADDITIONS	ADJUSTMENTS	As at 31.03.2023	As at 01.04.2022	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Tangible Assets											
Land	1,819.87	149.13	-	1,969.00	-	-	-	-	-	1,969.00	1,819.87
Factory Building											
- on Own premises	3,539.93	48.00	-	3,587.93	816.16	130.49	-	-	946.65	2,641.28	2,723.77
- on Lease hold Property	1,302.23	157.20	-	1,459.43	758.84	52.52	-	-	811.36	648.07	543.39
- Office Building - Lease Building	-	48.37	-	48.37	-	3.70	-	-	3.70	44.67	-
Plant & Equipment	27,759.77	4,641.78	1,695.14	34,096.69	14,856.03	2,261.72	-	726.72	17,844.47	16,252.22	12,903.74
Tools	4,600.26	1,285.66	(171.99)	5,713.93	738.62	314.85	-	(100.53)	952.94	4,760.99	3,861.64
Patterns, Match plates & Mould Box	447.31	57.64	-	504.95	122.01	59.33	-	-	181.34	323.61	325.30
Office Equipment	325.50	67.31	(3.53)	389.28	220.64	43.65	-	(3.45)	260.84	128.44	104.86
Furniture & Fixtures	193.44	109.72	-	303.16	141.21	16.65	-	-	157.86	145.30	52.23
Other-Computers	397.10	59.07	(92.47)	363.70	323.50	33.85	-	(88.87)	268.48	95.22	73.60
Vehicles	767.96	693.28	(248.30)	1,212.94	391.21	147.26	-	(204.22)	334.25	878.69	376.75
Sub Total	**41,153.37**	**7,317.16**	**1,178.85**	**49,649.38**	**18,368.22**	**3,064.02**	**-**	**329.65**	**21,761.89**	**27,887.49**	**22,785.15**
Capital Work In Progress	**61.23**	**11,420.72**	**(9,076.26)**	**2,405.69**						**2,405.69**	**61.23**

During the current year, ;85.80 lakhs (Previous year ;Nil) interest capitalized on term loans

Capital Work in Progress ageing schedule

₹ in lakhs

Particulars	As on 31 st March 2023					As on 31 st March 2022				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,348.38	57.31	-	-	2,405.69	61.23	-	-	-	61.23
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**2,348.38**	**57.31**	**-**	**-**	**2,405.69**	**61.23**	**-**	**-**	**-**	**61.23**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE : 2B INTANGIBLE ASSETS

₹ in lakhs

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2022	ADDITIONS	ADJUSTMENTS	As at 31.03.2023	As at 01.04.2022	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer Software	829.62	3.40	-	833.02	652.06	74.54	-	-	726.60	106.42	177.56
Product Development Expenses	2,086.64	-	-	2,086.64	881.78	391.30	-	-	1,273.08	813.56	1,204.86
Sub Total	**2,916.26**	**3.40**	**-**	**2,919.66**	**1,533.84**	**465.84**	**-**	**-**	**1,999.68**	**919.98**	**1,382.42**

NOTE: 2C RIGHT OF USE ASSETS

₹ in lakhs

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2022	ADDITIONS	ADJUSTMENTS	As at 31.03.2023	As at 01.04.2022	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land	227.69	-	-	227.69	53.64	17.88	-	-	71.52	156.17	174.05
Building	2,620.36	-	(17.92)	2,602.44	390.88	156.55	-	(1.80)	545.63	2,056.81	2,229.48
Plant and Machinery	6,809.82	1,064.77	(1,825.34)	6,049.25	977.82	723.97	-	(827.56)	874.23	5,175.02	5,832.00
Vehicles	115.85	-	-	115.85	51.28	24.05	-	-	75.33	40.52	64.57
Subtotal	**9,773.72**	**1,064.77**	**(1,843.26)**	**8,995.23**	**1,473.62**	**922.45**	**-**	**(829.36)**	**1,566.71**	**7,428.52**	**8,300.10**

Note: 2D INVESTMENT PROPERTY*

₹ in lakhs

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2022	ADDITIONS	ADJUSTMENTS	As at 31.03.2023	As at 01.04.2022	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Investment Property											
Land	0.49	-	-	0.49	-	-	-	-	-	0.49	0.49
Factory Building	452.55	-	-	452.55	249.22	12.92	-	-	262.14	190.41	203.33
Sub Total	**453.04**	**-**	**-**	**453.04**	**249.22**	**12.92**	**-**	**-**	**262.14**	**190.90**	**203.82**
Grand Total (A+B+C+D) Excluding CWIP	**54,296.39**	**8,385.33**	**(664.41)**	**63,346.13**	**21,624.90**	**4,465.23**	**-**	**(499.71)**	**26,589.84**	**36,756.29**	**32,671.49**
Previous Year	46,538.14	7,837.42	(79.17)	54,296.39	17,772.83	3,887.68	-	(35.61)	21,624.90	32,671.49	28,765.31

* Fair Market Value on 05.05.2023 is 1551.89 Lakhs as per valuation report given by registered independent valuer

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 3A : INVESTMENTS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Investment with Pitti Castings Private Ltd (Unquoted)		
a. Equity Shares	**281.52**	**408.00**
(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		
b. Redeemable Preferential shares	**1,233.00**	**1,233.00**
(1,23,30,000 Preferential shares (non-cumulative non-participative redeemable) at face value ₹ 10/- each)		
TOTAL OF UNQUOTED INVESTMENTS	**1,514.52**	**1,641.00**

NOTE 3B : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Term Deposits with Finacial Institutions	807.20	150.50
Deposits:		
Rent	31.01	28.53
With suppliers	14.34	10.86
TOTAL	**852.55**	**189.89**

NOTE 4 : OTHER NON CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
Capital Advance for Property Plant and Equipment	2203.65	2,140.55
Prepaid Expenses - Rent Deposits	43.75	47.63
Gold Coins	1.49	1.49
Deposits:		
With government bodies	125.69	128.69
TOTAL	**2,374.58**	**2,318.36**

NOTE 5 : INVENTORIES

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
(At lower of cost or Net realisable value)		
Raw material	13,402.64	16,874.32
Material in Transit - Raw Material	289.23	26.46
Work in process	3,669.33	4,597.69
Finished goods	4,489.04	3,609.12
Stores and spares	2,058.44	2,059.27
Scrap	22.72	61.85
TOTAL	**23,931.40**	**27,228.71**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 6A : INVESTMENTS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd.	1.07	0.69
Face Value 1,000 Equity Shares of ₹ 10/- each		
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		
S.V. Co-operative Bank Ltd	0.03	0.03
100 Equity Shares of ₹ 10/- each		
TOTAL	**1.11**	**0.73**

NOTE 6B : TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Un Secured	18,188.17	20,497.61
Trade Receivables which have Significant increase in Credit Risk	-	(0.55)
Trade Receivables - Credit Impaired	(43.54)	(70.60)
TOTAL	**18,144.63**	**20,426.46**

Trade Receivables ageing schedule for the year ended 31 st March 2023

₹ in lakhs

Particulars	Outsanding 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)
(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**

Trade Receivables aging schedule for the year ended 31 st March 2022

₹ in lakhs

Particulars	Outsanding 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	18,066.78	2,341.29	17.06	0.36	0.90	71.22	20,497.61
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	(0.55)	(0.55)
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	(70.60)	(70.60)
(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)]}	**18,066.78**	**2,341.29**	**17.06**	**0.36**	**0.90**	**0.07**	**20,426.46**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 6C : CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Cash on Hand	3.31	9.69
Balances with banks		
Current Accounts	1,234.72	753.09
EEFC Accounts	1.11	1.03
Term Deposit Accounts with in 3 months of maturity	2,731.00	-
Cash & Cash equivalents - Total	**3,970.14**	**763.81**

NOTE 6D : OTHER BANK BALANCES

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account (Refer note a)	8.73	6.94
Term Deposits - held as margin money for NFB limits	2,537.73	2,733.49
Other bank balances - Total	**2,546.46**	**2,740.43**

Note:

a) During the year an amount of 3.92 lakhs final dividend for the year 2014-15 was transferred to Investor Education and Protection Fund (IEPF) (previous year 2.91 lakhs final dividend for the year 2013-14 & 2.14 lakhs interim dividend for the year 2014-15)

NOTE 6E : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Interest accrued on Deposits	86.25	65.18
Earnest Money Deposit Amount	-	22.58
TOTAL	**86.25**	**87.76**

NOTE 7 : OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	1,184.41	778.51
Central excise, Sales tax,GST etc.,	1,981.94	3,101.34
Export Incentive Receivables	35.66	175.53
State Industrial Promotion Subsidy receivables	1,410.86	2,876.27
Income Tax and other taxes	240.66	233.01
Employees	2.99	2.26
Prepaid expenses	684.86	360.10
TOTAL	**5,541.38**	**7,527.02**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 8 : EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised Capital		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹ 5/- each	3000.00	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	1602.50	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

₹ in lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
	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	3,20,50,067.00	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

₹ in lakhs

Name of the shareholder	As at 31.03.2023		As at 31.03.2022	
	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	86,46,667	26.98

(d) Shares held by promoters at the end of the year

₹ in lakhs

Promoter Name	As at 31.03.2023		As at 31.03.2022		
	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	86,46,667	26.98	-
Sharad B Pitti HUF*	17,000	0.06	17,000	0.06	-

* Promoter Group

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 8 : EQUITY SHARE CAPITAL (Contd..)

(e) Dividend paid:

₹ in lakhs

Particulars	2022-23	2021-22
Dividend Paid (₹ in Lakhs)	753.18	376.59
Dividend Paid per share (₹)	2.70	2.03

The Board of Directors have recommended a final dividend of ₹ 1.20(24%) per equity share of ₹ 5/- each for the year ended 31st March, 2023 subject to approval of members of the Company at the esuing 39th Annual General Meeting.

NOTE 9 : OTHER EQUITY

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
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	17,861.55	13,051.83
Less : Final dividend declared for previous year	(272.43)	-
Add : Profit/(Loss) for the period	5,883.21	5,186.31
Less : Interim dividend for the year	(480.75)	(376.59)
Less : Transferred to general reserve during the year	-	-
At the closing of the period	**22,991.58**	**17,861.55**
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	139.68	163.43
Change in fair value of current investment	(187.61)	(93.24)
Net Surplus in the Statement of Profit and Loss	**(47.93)**	**70.19**
TOTAL	**31,800.59**	**26,788.68**

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 provisons 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.

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 10A : BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
A. Secured Loans		
Term Loans from Banks (Refer Note a)	8,996.94	8,447.13
Term Loans from others (Refer Note b)	184.01	-
Sub total	9,180.95	8,447.13
Vehicle Loans		
From Lenders (Refer Note c)	496.96	61.71
Sub total	**496.96**	**61.71**
Total - A	**9,677.91**	**8,508.84**
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)	**12,187.91**	**11,018.84**

Terms and conditions of loans and security

(a) Term Loans from Banks

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2022	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2022		
Term Loans	5,796.99	4,312.18	1,462.96	2,136.67	Monthly/Quarterly instlments payable over remaining period of 1 to 6 years.	Notes 1
WCTL/GECL	3,199.95	4,134.95	916.83	884.01	Monthly instlments payable over remaining period of 5 years	Notes 2
Total - (a)	**8,996.94**	**8,447.13**	**2,379.79**	**3,020.68**		

(b) Term Loans from Others

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2022	Outstanding Amount as at 31st March 2023	Outstanding Amount as at 31st March 2022		
Term Loans	184.01	-	49.59	-	Monthly instlments payable over remaining period of 4 years	NA
WCTL/GECL	-	-	-	-		
Total - (b)	**184.01**	**-**	**49.59**	**-**		
Total - (a+b)	**9,180.95**	**8,447.13**	**2,429.38**	**3,020.68**		

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 10A : BORROWINGS (Contd..)

(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.

Notes :

1) 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. further all loans are 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 8.50% to 10.75% p.a.

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 8.00% to 9.25%

NOTE 10B : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Lease Liability	5,403.58	5,291.10
TOTAL	**5,403.58**	**5,291.10**

NOTE 11 : PROVISIONS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Gratuity*	157.17	163.20
Provision for Leave encashment*	133.49	127.16
Provision for Dismantling of PPE#	526.39	489.92
TOTAL	**817.05**	**780.28**

* Refer note no. 25.3

The movement in the provision is towards (i) Additons during the period (ii) Unwinding of discount.

NOTE 12 : DEFERRED TAX LIABILITIES (NET)*

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
At the beginning of the year	912.30	1,007.34
Provision for the year	(61.22)	(95.04)
Closing balance	**851.08**	**912.30**

* Refer note no. 25.14

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 13A : BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Working capital borrowings from Banks (Secured) (Refer Note (a))	13,629.36	16,956.94
Current maturities of Long term borrowings: (Refer Note (b))		
Term loans	2,429.38	3,020.68
Vehicle loans	94.18	21.33
Inter Corporate Deposit	650.00	1,425.00
TOTAL	**16,802.92**	**21,423.95**

Note:

(a) Working capital facilities are availed at interest rate ranging from 5.50% p.a. to 9.30% 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 guaratee of the Promoters of the Company.

(b) Refer Note 10A

NOTE 13B : TRADE PAYABLES

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Dues to micro enterprises and small enterprises (Refer Note 25.17)*	136.05	131.73
Dues to others	24,994.29	21,889.97
TOTAL	**25,130.34**	**22,021.70**

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 aging schedule for year ended 31 st March 2023

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(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	**24,011.79**	**1,087.37**	**22.79**	**4.17**	**4.22**	**25,130.34**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 13B : TRADE PAYABLES (Contd..)

Trade Payables aging schedule for year ended 31 st March 2022

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed dues - MSME	131.73	-	-	-	-	131.73
(ii) Undisputed dues - Others	20,418.12	1,416.21	37.84	0.15	17.65	21,889.97
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**20,549.85**	**1,416.21**	**37.84**	**0.15**	**17.65**	**22,021.70**

NOTE 13C : OTHER FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Unclaimed Dividend	8.73	6.94
Interest accrued*	26.98	106.46
Others	796.78	738.70
TOTAL	**832.49**	**852.10**

*There is no interest payable to MSME vendors during the current or previous year

NOTE 13D : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Lease Liability	1,248.55	1,542.56
TOTAL	**1,248.55**	**1,542.56**

NOTE 14 : OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advances from Customers	298.31	1,315.57
Other Liabilities	155.12	166.42
TOTAL	**453.43**	**1,481.99**

NOTE 15 : PROVISIONS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits :		
Provision for Gratuity	72.36	74.80
Provision for Bonus	324.97	279.76
Provision for Leave encashment	27.81	22.34
TOTAL	**425.14**	**376.90**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 16 : INCOME TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for taxation (net)	239.24	1,563.21
TOTAL	**239.24**	**1,563.21**

NOTE 17 : REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Sales & Services:		
Sale of Products	1,23,284.27	1,06,851.52
Job work & Service Income	767.72	548.47
Gross Sales & Services (inclusive of GST)	**1,24,051.99**	**1,07,399.99**
Less : GST	(13,114.22)	(11,672.23)
Net Sales & Services	**1,10,937.77**	**95,727.76**
Sale of Products	1,10,248.34	95,238.15
Job work & Service Income	689.43	489.61
Net Sales & Services	**1,10,937.77**	**95,727.76**
Less : Discounts to Customers	(1,461.57)	(732.44)
Revenue from Sales & Services	**1,09,476.20**	**94,995.32**
Export incentives and others	540.95	387.06
Revenue from Operations	**1,10,017.15**	**95,382.38**

NOTE 18 : OTHER INCOME

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Interest on Deposits	177.86	96.39
Profit on Sale of Asset	21.70	30.14
Industrial Incentive	1,479.08	1,051.46
Other Misc. Receipts	104.04	464.56
Dividend Income	-	0.00
TOTAL	**1,782.68**	**1,642.55**

NOTE 19 : COST OF MATERIAL CONSUMED

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Opening stock	16,900.78	7,462.68
Add: Purchases	74,934.32	78,863.61
Less : Material in Transit	(289.23)	(1,236.28)
Less: Closing stock	(13,402.64)	(15,664.50)
Consumption	**78,143.23**	**69,425.51**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 20: CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
A. Opening stocks:		
Work-in-process	4,597.69	2,072.74
Finished goods	3,609.12	4,237.20
Scrap	61.85	348.15
Total - A	**8,268.66**	**6,658.09**
B. Closing stocks:		
Work-in-process	3,669.33	4,597.69
Finished goods	4,489.04	3,609.12
Scrap	22.72	61.85
Total - B	**8,181.09**	**8,268.66**
C. (Increase)/Decrease in stocks (A-B)	**87.57**	**(1,610.57)**

Note 21 : EMPLOYEE BENEFIT EXPENSE

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Employees remuneration and benefits	7,762.23	6,951.37
Contribution to PF/ESI *	358.92	346.89
Gratuity Expenses *	59.79	73.96
Remuneration to Directors	192.72	192.72
Staff welfare expenses	289.19	282.17
TOTAL	**8,662.85**	**7,847.11**

* Refer note no. 25.3

Note 22 : FINANCE COSTS

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Interest on Term Loans	1,315.98	1,267.52
Interest on Working Capital	1,375.51	1,239.07
Interest as per Ind AS	411.11	423.92
Interest on others	52.79	94.69
Bank Charges	1,094.95	900.73
Forex Loss	215.07	34.57
TOTAL	**4,465.41**	**3,960.50**

*Interest capitalized during the F.Y 2022-23 is ₹ 85.80 lakhs (Previous year ₹ Nil)

Note 23 : OTHER EXPENSES

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Consumption of Stores, Spares, Tools & Dies	1,763.30	1,739.80
Power & fuel	1056.03	793.08
Repairs & Maintenance :		
Plant	203.47	62.21
Building	17.89	13.88
Vehicles	16.08	13.35
Maintenance charges	121.64	97.33
Other Assets	92.09	35.62

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

Note 23 : OTHER EXPENSES (Contd..)

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Credit Risk Impaired	43.54	70.60
Credit Risk Allowance	(0.55)	(61.11)
Other selling & Distribution expenses	574.40	461.19
Packing Cost	1,269.07	1,013.94
Carriage outwards	538.36	509.04
Travelling & Conveyance	420.38	304.45
Insurance	263.93	235.06
Rent	20.17	1.20
Rates & Taxes (Excluding Taxes on Income)	107.76	90.95
Director's Sitting Fees	23.75	21.25
Forex loss on Export Receivables and Imports Payables	412.04	58.22
Remuneration to auditors :		
Audit Fee	15.25	13.45
Tax Audit Fee	5.25	5.25
Certification Fee /Taxation matter	15.00	22.25
Out of Pocket Expenses	0.75	-
Communication Expenses	47.54	40.92
Professional consultancy	533.70	459.40
CSR Expenses	21.61	138.86
Miscellaneous Expenses	402.59	317.89
TOTAL	**7,985.04**	**6,458.08**

NOTE 24 : TAX EXPENSES

₹ in lakhs

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022
Current tax	2,130.09	1,955.15
Taxes on Earlier Years	(1.31)	10.20
Deferred (credit)/expenses	(61.22)	(95.04)
Deferred (credit)/expenses on other comprehensive income	39.73	(0.65)
TOTAL	**2,107.29**	**1,869.66**

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS

25.1. Earnings per share (EPS) from continuing operations

₹ in lakhs

Particulars	For the Year 2022 – 23	For the Year 2021 – 22
Earnings		
Profit for the period (₹ in lakhs)	5883.21	5186.96
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 (₹)	18.36	16.18
Earnings per share of par value ₹ 5/- Diluted (₹)	18.36	16.18

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.2 Contingent Liabilities & Commitment

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
(A) Contingent Liabilities		
a. Claims against the Company not acknowledged as debts:		
(i) Service Tax lia bility for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to D cember, 2011.	68.55*	68.55*
(ii) GST liability for which appeals preferred by the Company for the FY 2017-18 and 2018-19	4.59*	-
(iii) 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*
(iv) 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*
(v) 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*	-
b. Income recognized against the Scrip Generation (under RodTEP scheme) and pending for generation of EBRC	17.01	-
(B) Commitments		
(i) Bank guarantees	1236.45	1401.43
(ii) Estimated amount of liability on account of Capital Commitments	4546.57	3181.55

* No provision is considered since the Company expects favorable decision and the above liability is excluding Interest and Penalty. The company has deposited 193.29 lakhs towards Income Tax liabilities which are classified under "Income Tax and other taxes" under Current Assets.

25.3. 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 2022-23	Gratuity Plan 2021-22	Leave Encashment Plan 2022-23	Leave Encashment Plan 2021-22
Discount Rate	7.39 %	7.16%	7.39%	7.16%
Rate of increase in Compensation levels	2% p.a.	2% p.a.	2% p.a.	2% p.a.
Rate of Return on Plan Assets	7.39%	7.16%	0%	0%
Expected Average remaining working lives of employees (years)	24 yrs	25 yrs	24 yrs	25 yrs

₹ in lakhs

Changes in Present Value of Obligations	Gratuity Plan 2022-23	Gratuity Plan 2021-22	Leave Encashment Plan 2022-23	Leave Encashment Plan 2021-22
Present Value of Obligation as at the beginning of the year	482.35	430.82	149.50	126.46
Interest Cost	31.60	28.51	8.77	7.59
Current Service Cost	49.26	45.45	37.29	36.83
Benefits paid	(81.36)	(23.14)	(53.96)	(30.97)
Actuarial (gain)/ loss on obligations	28.05	0.71	19.70	9.58

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Changes in Present Value of Obligations	Gratuity Plan 2022-23	Gratuity Plan 2021-22	Leave Encashment Plan 2022-23	Leave Encashment Plan 2021-22
Present Value of Obligation as at the end of the year	509.90	482.35	161.30	149.50
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	509.90	482.35	161.30	149.50
Fair Value of Plan Assets as at the end of the year	280.37	244.35	-	-
Funded Status	(229.53)	(238.00)	(161.30)	(149.50)
Net Asset / (Liability) Recognized in Balance Sheet	(229.53)	(238.00)	(161.30)	(149.50)
Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost	49.26	45.45	37.29	36.83
Past Service Cost	-	-	-	-
Interest Cost	31.60	28.51	8.77	7.59
Expected Return on Plan Assets	(21.07)	-	-	-
Net actuarial (gain)/ loss recognized in the year	31.74	(2.93)	19.70	9.58
Expenses Recognized in the Statement of Profit & Loss	91.53	71.03	65.76	54.01
Fair Value of the Planned Assets at the beginning of the year	244.35	213.85	-	-
Employer's contribution	100.00	50.00	-	-
Interest on Planned Assets	17.38	3.64	-	-
Actual return on plan assets less interest on plan assets	-	-	-	-
Benefits paid	(81.36)	(23.14)	-	-
Asset acquired/(settled)	-	-	-	-
Present Value of Planned Assets at the end of the year	280.37	244.35	-	-

Maturity Profile of defined benefit obligation (on an undiscounted basis) - Gratuity

₹ in lakhs

Particulars	2022-23	2021-22
Within next 12 months	9.69	68.81
Between 2 and 5 years	182.39	47.02
Between 6 and 9 years	209.20	133.22
10 years and above	954.50	233.30

Rate of return for the plan asset

₹ in lakhs

Particulars	2022-23	2021-22
Guaranteed Rate of Return	7.30	6.85
Discount Rate for remaining term to Maturity of Investment	7.39	7.16
Expected Rate of Return on Investment	7.40	7.20

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 31.03.2023 Decrease	As at 31.03.2023 Increase	As at 31.03.2022 Decrease	As at 31.03.2022 Increase
Change in Rate of discount (Delta effect of +/-1%)	555.89	470.24	525.85	444.85
Change in Rate of Salary Growth (Delta effect of +/-1%)	460.93	567.37	436.86	535.66
Change in Rate of Attrition (Delta effect of +/-1%)	490.36	528.04	446.54	514.22
Change in Mortality Rate (Delta effect of +/-10%)	505.07	514.67	481.45	483.25

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Sensitivity Analysis – Leave Encashment Plan

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have 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	Leave Encashment Plan As at 31.03.2023 Decrease	As at 31.03.2023 Increase	As at 31.03.2022 Decrease	As at 31.03.2022 Increase
Change in Rate of discount (Delta effect of +/-1%)	178.21	147.06	166.02	135.68
Change in Rate of Salary Growth (Delta effect of +/-1%)	141.44	161.30	130.11	173.26
Change in Rate of Attrition (Delta effect of +/-1%)	152.12	169.81	131.11	165.64
Change in Mortality Rate (Delta effect of +/-10%)	159.11	163.46	149.13	149.87

B) Defined Contribution Plan

Contribution to Defined Contribution plan, recognized as expense for the year is as under:

₹ in lakhs

Description	2022-23	2021-22
Employer Contribution to ESI	36.03	37.31
Employer Contribution to PF	294.94	280.73
Employer Contribution to pension scheme	27.55	28.49
Labor welfare fund	0.40	0.36
Total	**358.92**	**346.89**

25.4. Details of consumption of Raw Material

₹ in lakhs

Description	For the Year 2022 – 23	For the Year 2021 – 22
Imported	5748.52	10740.31
Indigenous	72394.71	58705.90
TOTAL	**78143.23**	**69446.21**

25.5. Stock and Turnover of Manufactured and Traded goods

₹ in lakhs

Description	For the Year 2022-23 Turnover	For the Year 2022-23 Closing Inventory (FG & Scrap)	For the Year 2022-23 Opening Inventory (FG & Scrap)	For the Year 2021-22 Turnover	For the Year 2021-22 Closing Inventory (FG & Scrap)	For the Year 2021-22 Opening Inventory (FG & Scrap)
Sale of Products	108786.77	4511.76	3670.97	94505.71	3670.97	4585.35
Sale of Services	689.43			489.61		
TOTAL	**109476.20**	**4511.76**	**3670.97**	**94995.32**	**3670.97**	**4585.35**

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.6. Stock of Work in process

₹ in lakhs

Description	As at 31.03.2023	As at 31.03.2022
Work/Material in process	3669.33	4597.69
TOTAL	**3669.33**	**4597.69**

25.7. CIF Value of Imports

₹ in lakhs

Particulars	For the Year 2022 – 23	For the Year 2021 – 22
Capital goods	5155.60	3122.48
Raw Materials	3313.18	12726.01
Stores and Spares	160.93	147.70
TOTAL	**8629.71**	**15996.19**

25.8. Earnings in Foreign Currency

₹ in lakhs

Particulars	For the Year 2022 – 23	For the Year 2021 – 22
FOB value of Exports	37166.63	26480.31

25.9. Expenditure in Foreign Currency

₹ in lakhs

Particulars	For the Year 2022 – 23	For the Year 2021 – 22
Travelling and others	402.11	210.07
Total	**402.11**	**210.07**

25.10. Disclosure as per Section 186 of the Companies Act, 2013

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

(i) Details of investment made are given in Note 3A &25.13

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

25.11. 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 it performance and for which discreet information is available.

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

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:

₹ in lakhs

Sl. No	Segment Revenue	For the Year 2022 – 23	For the Year 2021 – 22
a)	India	74748.79	67412.97
b)	Outside India	37051.04	29611.96
	TOTAL	**111799.83**	**97024.93**

b) Assets:

₹ in lakhs

Segment Assets	Carrying amount of Assets	
	As at 31.03.2023	As at 31.03.2022
India	87332.95	83,080.53
Outside India	10462.65	12,576.36
TOTAL	**97795.60**	**95,656.89**

c) Revenue from Major Customers:

Details of single external customer from whom the Company receives more than 10% of the revenue:

Revenue from three customers of the Company, having more than 10% of the total revenue aggregating to 49934.28 lakhs (previous year 39234.95 lakhs).

25.12. Financial Instruments

(A) Fair Value 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).

₹ in lakhs

Particulars	Fair value hierarchy			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		Level 1	Level 2	Level 3
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**

Consolidated Notes to Financial Statements
for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Particulars	Total	Fair value hierarchy: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
31-March-22				
Financial Asset				
Investment in equity instruments	1,641.77	0.69	1,641.04	0.04
Security Deposits	39.39	-	-	39.39
Financial Liability				
Borrowings	32,442.79	-	-	32,442.79
Total	**34,123.95**	**0.69**	**-**	**32,482.22**

(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.

Consolidated Notes to Financial Statements
for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.13. Related party disclosures

A. 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, Chairman & Managing Director

(ii) Shri Akshay S Pitti, Vice Chairman & Managing Director (Interim CFO from 13.04.2022 to 11.11.2022)

Independent & Non-Executive Directors

(iii) Shri S. Thiagarajan, Independent Director

(iv) Shri N.R. Ganti, Independent Director

(v) Shri G. Vijaya Kumar, Independent Director

(vi) Shri M. Gopalakrishna, Independent Director

(vii) Ms. Gayathri Ramachandran, Independent Director

(viii) Shri DV Aditya, Independent Director (10-08-2022 to 21-10-2022)

Others

(ix) Shri N. K. Khandelwal, President Corporate Resources & CFO (till 13.04.2022)

(x) Shri M. Pavan Kumar, Chief Financial Officer (from 12.11.2022)

(xi) Ms. Mary Monica Braganza, Company Secretary

IV Other Related Parties with whom transactions have taken place during the year

The Enterprise over which KMP or relative of KMP having significant influence

(i) Pitti Castings Private Limited

(ii) Pitti Trade and Investments Private Limited

The Relative of Executive Promoter Directors

(iii) Smt Madhuri S Pitti

(iv) Smt Radhika A Pitti

(v) Sharad B Pitti (HUF)

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

A. Transactions/balances outstanding with related parties:

For the Financial Year 2022-23

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having significant influence over the entity	Key Managment 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	Dividend paid	203.21	201.63	41.73	446.57
12	Amount payable at the year end	3194.98	18.46	520.67	3734.11
13	Amount receivable at the year end	-	20.21	619.89	640.10
14	Investments at the year end	-	-	1514.52	1514.52

For the Financial Year 2021-22

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having significant influence over the entity	Key Managment Personnel	Other related parties	Total
1	Remuneration	-	306.48	15.25	321.73
2	Rent / Lease Expenses	-	97.90	185.30	283.20
3	Rent / Lease Income	-	-	1.58	1.58
4	Purchases of goods & services	38.48	-	9769.64	9808.12
5	Sales of goods & services	-	-	1191.87	1191.87
6	Unsecured Loan - received	-	2730.00	-	2730.00
7	Unsecured Loan – repaid	-	2730.00	-	2730.00
8	Inter Corporate Deposits – received	70.00	-	-	70.00
9	Inter Corporate Deposits – repaid	70.00	-	-	70.00
10	Interest paid	0.08	308.20	-	308.28
11	Dividend paid	101.60	101.64	20.86	224.08
12	Amount payable at the year end	-	2536.17	1960.43	4496.61
13	Amount receivable at the year end	-	20.21	323.67	343.88
14	Investments at the year end	-	-	1646.00	1641.00

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

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 2022–23	For the Year 2021–22
1	**Shri Sharad B Pitti**		
	- Remuneration	98.78	98.78
	- Lease Rental	104.16	97.90
	- Dividend	102.22	51.11
	- Amount Payable at the year end	5.57	15.70
	- 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	49.68
	- Interest on Unsecured Loans	144.14	308.20
	- Unsecured Loans Received	2,700.00	2,730.00
	- Unsecured Loans Repaid	5,210.00	2,730.00
	- Amount Payable at the year end	5.22	2,514.66
3	**Pitti Electrical Equipment Pvt Ltd**		
	- Interest on Inter Corporate Deposits	145.20	0.08
	- Purchase of Goods	836.18	38.48
	- Dividend	203.21	101.60
	- Intercorporate Deposits Received	5575.00	70.00
	- Intercorporate Deposits Repaid	3065.00	70.00
	- Amount Payable at the year end	3194.98	-

25.14. Deferred Tax

₹ in lakhs

Sl. No.	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2022	Statement of Profit & Loss	Other Comprehensive Income	Deferred Tax (Liability)/ Asset as at 31.03.2023
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(1958.59)	34.50	-	(1924.09)
2	Others	1046.29	(13.01)	39.73	1073.01
	Deferred Tax Net	**(912.30)**	**21.49**	**39.73**	**(851.08)**

25.15. 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.

25.16. 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.

Consolidated Notes to Financial Statements
for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.17. 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 2022-23	Year 2021-22
1	Principal amounts due to suppliers under MSMED	136.05	131.73
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 Group.

25.18. Additional Information as required by paragraph 2 of the general Instructions for preparation of consolidated Statements to Schedule III to the Companies Act, 2013

₹ in lakhs

Particulars	As at 31st March 2023		Year Ended 31st March 2023					
	Net Assets i,e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	As a % of Consolidated net assets	Amt	As a % of Consolidated profit or Loss	Amt	As a % of other comprehensive income	Amt	As a % of total comprehensive income	Amt
Parent								
Pitti Engineering Limited	100%	33408.67	100%	5883.00	100%	(118.12)	100%	5764.88
Subsidiary								
Pitti Rail & Engineering Components Limited	0%	(0.16)	100%	0.21	-	-	100%	0.21
Total Elimination	0%	5.00	-	-	-	-	-	-
Total	**100%**	**33403.51**	**100%**	**5883.21**	**100%**	**(118.12)**	**100%**	**5765.09**

₹ in lakhs

Particulars	As at 31st March 2022		Year Ended 31st March 2022					
	Net Assets i,e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	As a % of Consolidated net assets	Amt	As a % of Consolidated profit or Loss	Amt	As a % of other comprehensive income	Amt	As a % of total comprehensive income	Amt
Parent								
Pitti Engineering Limited	100%	28396.97	100%	5190.11	100%	1.95	100%	5192.06
Subsidiary								
Pitti Rail & Engineering Components Limited	0%	(0.37)	100%	(3.15)	-	-	100%	(3.15)
Total Elimination	0%	5.00	0%	-	0%	-	0%	-
Total	**100%**	**28391.60**	**100%**	**5186.96**	**100%**	**1.95**	**100%**	**5188.91**

Consolidated Notes to Financial Statements
for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.19. Right of Use of Assets

For the Financial Year 2022-23

₹ in lakhs

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**

For the Financial Year 2021-22

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2021	191.93	2050.37	5090.85	79.40	-	7412.55
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	330.30	1367.80	9.07	-	1707.17
Deletions/Adjustments	-	-	-	-	-	-
Depreciation	17.88	151.19	626.65	23.90	-	819.62
Balance as on 31st March 2022	**174.05**	**2229.48**	**5832.00**	**64.57**	**-**	**8300.10**

25.20. Letters have been written for confirmation of Trade Receivables and Trade Payables pertaining to debtors and creditors and reply from certain parties are awaited.

25.21. Financial and Derivative Instruments:

₹ in lakhs

Description	As at 31.03.2023	As at 31.03.2022
Forward Contracts	9744.75	7071.55

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

25.22. Statutory Auditor's Remuneration

₹ in lakhs

Sl. No.	Description	Year 2022-23	Year 2021-22
1	Statutory Audit	15.25	13.45
2	Tax Audit	5.25	5.25
3	Certification fee / Taxation matter	15.00	22.25
4	Out of Pocket Expenses	0.75	-

25.23. 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.

Consolidated Notes to Financial Statements
for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.24. Key Ratios

S. no	Particulars	Numerator	Denominator	31.03.2023	31.03.2022	Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	1.20	1.19	0.84%	
2.	Debt- Equity Ratio (in times)	Debt *	Equity	0.87	1.04	(16.35)%	
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	3.60	2.81	28. 11%	Note 1(a)
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	19.04%	19.97%	(0.93)%	
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	4.30	4.44	(3.15)%	
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	5.70	5.07	12.43%	
7.	Trade Payables Turnover ratio (in times)	Net Purchase	Average payables	3.40	5.16	(34.11)%	Note 1(b)
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	12.10	10.03	20.64%	
9.	Net Profit Ratio (in %)	Net profit	Net sales	5.24%	5.44%	(0.20)%	
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	17.10%	15.60%	1.50%	
11.	Return on Investments (in%)	Earnings from invested funds	Average invested funds	Nil	Nil	-	

* Debt excludes lease liabilities. Return on Investments (in%)

Note1 :

(a) Increased earnings on account of overall business growth.

(b) Due to improvement in credit period by vendors, the payable outstanding has increased and it is favorable.

Definitions:

(a) Current Assets = Total Current Assets as per Balance Sheet

(b) Current Liabilities = Total Current Liabilities as per Balance Sheet

(c) Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet

(d) Equity/Shareholder Equity = Total Equity as per Balance Sheet

(e) EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings

(f) Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)

(g) Average Inventory = (Opening Inventory + Closing Inventory)/2

(h) Average Receivables = (Opening Receivables + Closing Receivables)/2

(i) Average Payables = (Opening Payables + Closing Payables)/2

(j) Working Capital = Current Assets – Current Liabilities

(k) Capital Employed = Total Assets- Current Liabilities

Consolidated Notes to Financial Statements
for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

(l) Earnings from Investor Funds = Earnings from Investments

(m) Average Investment Funds = (Opening Investments + Closing Investments)/2

25.25 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) :

₹ in lakhs

Sl. No.	Description	For the Year ended 31.03.2023	For the Year ended 31.03.2022
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	90.39	69.38
b.	Less : Excess incurred during the fy.2021-22	(69.48)	-
c.	Net amount should be incurred for the fy.2022-23	20.91	69.38
d.	Amount of expenditure incurred	21.61	138.86
e.	(Excess)/Shortfall at the end of the year	(0.70)	(69.48)
f.	Total of previous years shortfall	-	-
g.	Reason for shortfall	-	-

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Sl. No.	Description	For the Year ended 31.03.2023	For the Year ended 31.03.2022
h.	Nature of CSR Activities	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance 3) Education	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance
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 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
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman &
Managing Director
DIN:00078760

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

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	5.00
6.	Reserves & surplus	(5.16)
7.	Total Assets	0.10
8.	Total Liabilities	0.10
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	0.64
12.	Provision for taxation	0.43
13.	Profit after taxation	0.21
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
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman &
Managing Director
DIN:00078760

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023