

# Report on Corporate Governance

## Statement on Company's Philosophy on Code of Governance

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

## Board of Directors

### Composition of Board

As on 31st March 2023, the Board has seven Directors, comprising five Independent Directors, (including one Woman Director) and two Promoter Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations.

### Meetings of the Board

Minimum four prescribed Board meetings are held every year. Additional meetings are held to address specific needs of the

Company. In case of any exigency, emergency resolutions are passed by circulation. During the year under review, five meetings of the Directors were held on 11th April 2022, 23rd May 2022, 10th August 2022, 11th November 2022 and 14th February 2023. The gap between the meetings did not exceed 120 days.

The necessary quorum was present for all the meetings.

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

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

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and the number of Directorships and Committee Memberships / Chairmanships held by them as on 31st March 2023 is given below.

Name of the Director	Category	Number of Board Meetings attended during the year 2022-23	Whether attended last AGM held on 23.09.2022	Number of Directorships in other Companies	Number of Committees Membership (s)/ Chairmanship(s) held in other public companies*	Names of the other Listed entities where the person is Director & category of Directorship
Shri Sharad B Pitti Chairman & Managing Director DIN 00078716	Promoter Executive Director	3	Yes	6	Nil	Nil
Shri Akshay S Pitti Vice-Chairman & Managing Director DIN 00078760	Promoter Executive Director	5	Yes	6	Nil	Nil
Shri N R Ganti DIN 00021592	Independent Non-Executive	5	Yes	Nil	Nil	Nil
Shri G Vijaya Kumar DIN 00780356	Independent Non-Executive	5	Yes	Nil	Nil	Nil

Name of the Director	Category	Number of Board Meetings attended during the year 2022-23	Whether attended last AGM held on 23.09.2022	Number of Directorships in other Companies	Number of Committees Membership (s)/ Chairmanship(s) held in other public companies*	Names of the other Listed entities where the person is Director & category of Directorship
Shri M Gopalakrishna, DIN 00088454	Independent Non-Executive	5	Yes	7 [Incl. 2 as Chairman]	8	Suven Life Sciences Limited. Independent Director  Olectra Greentech Limited. Independent Director  BGR Energy Systems Limited. Independent Director  The Andhra Petrochemicals Limited. Independent Director
Ms. Gayathri Ramachandran DIN 02872723	Independent Non-Executive	5	Yes	Nil	Nil	Nil
Shri S Thiagarajan DIN 02721001	Independent Non-Executive	5	Yes	Nil	Nil	Nil
Shri D V Aditya DIN 02847635 Appointed w.e.f. 10.08.2022 cessation due to demise on 21.10.2022	Independent Non-Executive	Nil	No	Nil	Nil	Nil

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

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

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

### Board's skills / expertise / competencies

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

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

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

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

### Meeting of the Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on 23rd May 2022 without the presence of Executives. The meeting was attended by all the Independent Directors. The Independent Directors discussed matters pertaining to the Company's affairs and reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole, and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board for effective functioning of the Board and performance of its duties.

### Confirmation from the Board

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

There has been no resignation of Independent Directors during the year.

### Familiarisation programme

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to

familiarize with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Site visits to various plant locations are organised for the Independent Directors to enable them to understand and become acquainted with the operations of the Company. The details of the familiarisation programme for Independent Directors is available on the Company's website [https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2023/Familiarisation%20Programme%20for%20Independent%20Directors\\_1.pdf](https://www.pitti.in/investordesk/Docs/Client/CLT1/fy2023/Familiarisation%20Programme%20for%20Independent%20Directors_1.pdf)

### Governance policies

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

- Code of conduct & ethics for Directors & senior management
- Code for independent Directors
- Corporate social responsibility policy
- Remuneration policy
- Policy for preservation of documents
- Policy for determining the materiality of an event

- Dividend distribution policy
- Insider trading policy
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Vigil mechanism / Whistle blower policy
- Policy and Procedure of enquiry in case of leak of unpublished price sensitive information
- Policy for determining material subsidiaries
- Policy on related party transactions
- Risk Management Policy

The above policies are available on the website of the Company at [https://www.pitti.in/investor\\_desk/investors\\_d\\_p.php](https://www.pitti.in/investor_desk/investors_d_p.php) under the head Investors Desk.

### Committees of the Board

#### Audit Committee

The Audit Committee comprises entirely of Independent Directors. All members of the Audit Committee have accounting, financial and management expertise. The Chairman of the Committee attended the AGM held on 23rd September 2022 to answer the shareholders queries.

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

11th April 2022, 23rd May 2022, 10th August 2022, 11th November 2022, 14th February 2023

The gap between the meetings did not exceed 120 days.

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri S Thiagarajan	Independent Director	Chairman	5	5
Shri N R Ganti	Independent Director	Member	5	5
Shri G Vijaya Kumar	Independent Director	Member	5	5

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

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Equity shares and convertible instruments held by Directors

The number of equity shares held by Executive and Non-Executive Directors as on 31st March 2023 is given below:

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

4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Act;
- b) Changes, if any, in accounting policies and practices and reasons for the same;
- c) Major accounting entries involving estimates based on the exercise of judgment by management;
- d) Significant adjustments made in the financial statements arising out of audit findings;
- e) Compliance with listing and other legal requirements relating to financial statements;

- f) Disclosure of any related party transactions; and
- g) Modified opinion(s) in the draft audit report.
5. Reviewing along with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval of any subsequent modification of transactions of the listed entity with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the listed entity, whenever it is necessary.
11. Evaluation of internal financial controls and risk management systems
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The Audit Committee shall mandatorily review the following information

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

### Nomination and Remuneration Committee

The Committee's composition is in compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Chairman of the Committee attended the AGM held on 23rd September 2022 to answer the shareholders queries.

During the year under review, the Committee met on 11th April 2022, 10th August 2022, 11th November 2022.

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri M Gopalakrishna	Independent Director	Chairman	3	3
Ms.Gayathri Ramachandran	Independent Director	Member	3	3
Shri G Vijaya Kumar	Independent Director	Member	3	3

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
  - For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
    - use the services of external agencies, if required;
    - consider candidates from a wide range of backgrounds, having due regard to diversity; and
    - consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- Administer Employee Stock Option Schemes of the Company.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### Performance evaluation criteria for Independent Directors

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

### Remuneration Policy

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

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

## Remuneration of Directors

The details of remuneration to the Directors for the financial year ended 31st March 2023.

₹ in lakhs

Name	Salary	Benefits & Allowances	Sitting Fees	Total
Shri Sharad B Pitti	98.78	-	-	98.78
Shri Akshay S Pitti	93.94	4.84	-	98.78
Shri N R Ganti	-	-	4.50	4.50
Shri G Vijaya Kumar	-	-	6.75	6.75
Shri M Gopalakrishna	-	-	4.00	4.00
Ms. Gayathri Ramachandran	-	-	4.00	4.00
Shri S Thiagarajan	-	-	4.50	4.50

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

### Criteria of making payments to Non-Executive Directors:

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

permissible limits prescribed under the Companies Act, 2013 and rules framed thereunder for attending meetings of the Board and Committees thereof.

During the financial year 2022-23, the Non-Executive Directors were paid Sitting fee of ₹ 50,000 for attending each meeting of the Board of Directors and ₹ 25,000 for attending each meeting of the Committees. The Independent Directors were paid a fee of ₹ 25,000 each for the separate meeting of the Independent Directors.

### Stakeholders Relationship Committee

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

During the year under review, the Committee met on 29th June 2022 and 25th January 2023.

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

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

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

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

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
5. Approve issue of the Company's duplicate share / debenture certificates.
6. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

The status of the complaints received during the year ended 31st March 2023 is as follows

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	2	2	Nil

## Corporate Social Responsibility Committee

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

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

23rd May 2022 and 11th November 2022.

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri Sharad B Pitti	Promoter Executive Director	Chairman	2	2
Shri Akshay S Pitti	Promoter Executive Director	Member	2	2
Shri G Vijaya Kumar	Independent Director	Member	2	2

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

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

## Risk Management Committee

In terms of Regulation 21 of SEBI Listing Regulations a Risk Management Committee was constituted by the Board of Directors on 23rd May 2022. The Committee's composition and terms of reference are in compliance with the provisions of Regulation 21 of SEBI Listing Regulations.

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

27th September 2022 and 23rd March 2023.

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

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

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

1. Formulate a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c) Business continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### Committee of Directors

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

During the year review, the Committee met four times on the following dates: 3rd May 2022, 21st September 2022, 1st December 2022 and 13th March 2023.

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

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

## General Body Meetings

### Annual General Meetings

Year	Date & Time	Venue	Special Resolutions
2019-20	25.09.2020 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	1. Approval of remuneration to Executive Directors who are promoters or members of promoter group.
2020-21	24.09.2021 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	None
2021-22	23.09.2022 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	1. Appointment of Shri D V Aditya (DIN:02847635) as an Independent Director

## Postal ballot during the last three years:

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

Year	No of postal ballots conducted	Details of resolution and voting pattern
2020-21	Nil	Not Applicable
2021-22	One	<b>Business transacted:</b>

1. Special resolution to approve the increase in borrowing limits of the Company.

Particulars	No of shares	%
Votes cast in favour	1,91,66,121	99.98
Votes cast against	3,667	0.02
Total valid votes	1,91,69,788	100.00
Invalid votes	-	-

2. Special resolution to approve creation of security on the properties of the Company in favour of lenders.

Particulars	No of shares	%
Votes cast in favour	1,91,65,276	99.98
Votes cast against	4,712	0.02
Total valid votes	1,91,69,988	100.00
Invalid votes	-	-

3. Special resolution to approve the related party transactions

Particulars	No of shares	%
Votes cast in favour	1,60,621	95.01
Votes cast against	8,440	4.99
Total valid votes	1,69,061	100.00
Invalid votes	-	-

The shareholders approved the said resolution(s) with requisite majority on 26th March 2022 and the results were declared on 28th March 2022. Shri Ajay Kishen, Practising Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.

2022-23 One

### Business transacted:

1. Special resolution to approve the re-appointment of Shri Sharad B Pitti as Chairman & Managing Director

Particulars	No of shares	%
Votes cast in favour	1,97,26,763	99.94
Votes cast against	11,643	0.06
Total valid votes	1,97,38,406	100.00
Invalid votes	-	-

The shareholders approved the said resolution(s) with requisite majority on 7th July 2022 and the results were declared on 8th July 2022. Shri Ajay Kishen, Practising Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.

There is no proposal to conduct postal ballot for any matter in the ensuing 39th Annual General Meeting.

## Procedure for postal ballot

In compliance with the Listing Regulations and section 108, 110 and other applicable provisions of the Act, read with applicable rules, made thereunder read with the General Circular Nos 14/2020 dated 8th April 2020 and 17/2020 dated 13th April 2020 read with other relevant circulars including General Circular No.3/2022 dated 5th May 2022 issued by the Ministry of Corporate Affairs, the Notice of Postal Ballot was sent in electronic form only to the shareholders to their email ids registered with the Depository Participants/Registrar and share transfer agents. The Company engaged the services of NSDL for the purpose of providing e-voting facility to all its shareholders.

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

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

## Disclosures

### a) Related party transactions

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

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

During the year, the Company has entered into transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of related party transactions are provided in Note 25.13 of the Notes to Financial Statements.

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

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

### b) Details of Non-compliances

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

### c) Vigil mechanism / Whistle blower policy

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

### d) Subsidiary

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

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

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

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

The Company is a net foreign exchange earner and thus faces foreign currency fluctuation risk. The Company tries to minimise the risk through natural hedge via foreign currency liabilities to the extent possible. For the balance, looking at the trend the Company may keep its position open or hedge the same. The Company reviews its foreign currency risks and evaluates the same on a periodic basis.

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

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

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

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

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

The Board of Directors accepted all the recommendation(s) of the Committees of the Board during the financial year ended 31st March 2023.

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

Particulars	FY 2022-23
Audit fees	15.25
Tax audit fees	5.25
Certification fee / taxation matter	15.00
Out of pocket expenses	0.75

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

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

### k) Adoption of Mandatory and Non-Mandatory Requirements

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

The financial statements for the year ending 31st March 2023 do not contain any audit qualification. The internal auditor reports to the Audit Committee.

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

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

## m) Disclosure of accounting treatment

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

## n) Risk management

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

## Means of Communication

### Quarterly results and filings

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

## General Shareholder Information

### Company Registration details

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

### Annual General Meeting for the Financial Year 2022-23

Day & Date	Friday, 18th August 2023
Time	4:00 P.M
Venue	The AGM will be held through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") only.

## Financial Calendar

Financial Year	1st April to 31st March
Tentative calendar for declaration of results for quarter ending	
30th June 2023	on or before 14th August 2023
30th September 2023	on or before 14th November 2023
31st December 2023	on or before 14th February 2024
31st March 2024	on or before 30th May 2024
Book Closure	From 12th August 2023 to 18th August 2023 [both days inclusive]

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

## Presentations to institutional investors / analysts

Presentations are made to institutional investors and financial analysts on the Company's financial results. These presentations and schedule of analyst or institutional investors meet are also put on the Company's website.

## Website

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

## Dividend

Dividend	Amount and %	Date of Declaration	Date of Payment
Interim dividend	₹ 1.50/- (30%)	14th February 2023	6th March 2023
Proposed Final Dividend subject to the approval of members at the ensuing AGM	₹ 1.20/- (24%)	At the ensuing AGM	Within 30 days from the date of declaration.

## Listing information

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

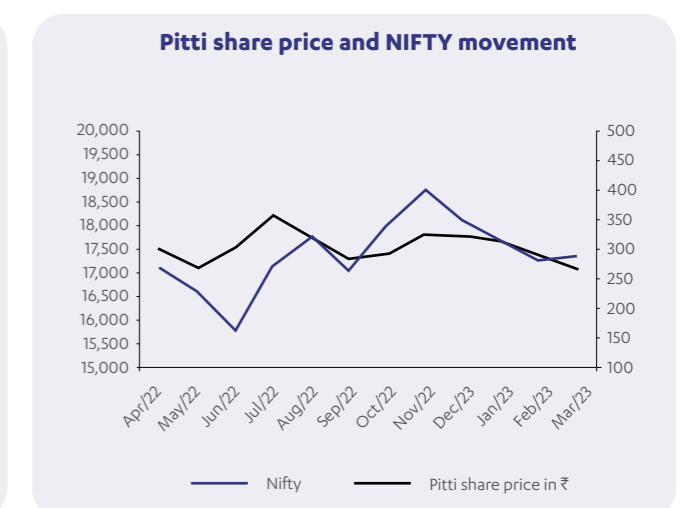
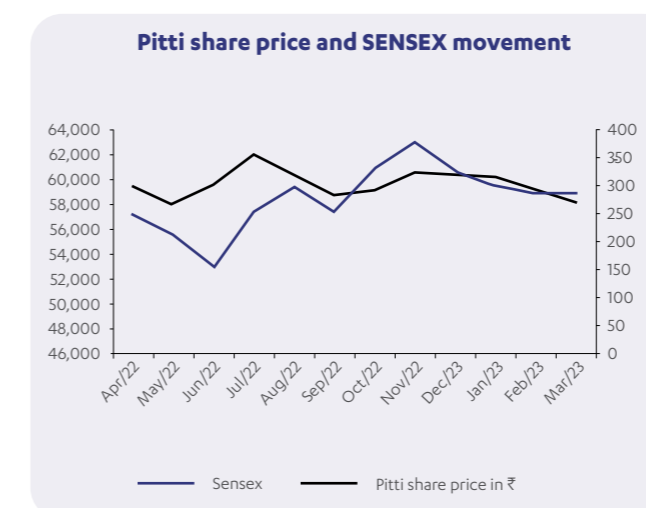
Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	513519
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla,Complex, Bandra (E), Mumbai 400 051	PITTIENG

The Company has paid the requisite annual listing fees to both the Stock Exchanges for financial year 2023-24. The securities of the Company have never been suspended from trading.

## Stock market price data

Month	BSE Limited (BSE)			National Stock Exchange (NSE)		
	High price ₹	Low price ₹	Volume (Nos)	High price ₹	Low price ₹	Volume (Nos)
April 2022	344.35	299.65	7,81,892	344.40	300.00	39,73,823
May 2022	322.75	234.75	18,63,960	322.75	230.05	35,39,010
June 2022	350.95	263.00	24,52,407	351.00	262.65	62,76,917
July 2022	370.00	293.80	16,08,858	369.85	293.30	53,95,231
August 2022	374.90	305.10	11,15,913	375.00	310.00	50,75,045
September 2022	331.00	274.00	4,75,738	331.25	273.75	25,08,118
October 2022	301.45	281.40	1,16,691	302.00	281.55	7,81,511
November 2022	329.60	258.40	6,02,231	329.90	257.30	39,43,803
December 2022	344.55	295.40	3,00,032	345.00	295.05	29,69,304
January 2023	336.95	293.05	2,37,626	336.95	293.30	22,97,007
February 2023	326.65	278.90	3,26,855	327.75	278.00	25,42,899
March 2023	303.25	256.80	3,14,905	305.95	255.60	22,39,595

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



## Registrar and share transfer agents

XL Softech Systems Limited  
Plot No. 3, Sagar Society, Road No.2, Banjara Hills,  
Hyderabad - 500 034  
Ph: +91 40 23545913 / 14 / 15 Fax: +91 40 23553214  
Email: [xlfield@gmail.com](mailto:xlfield@gmail.com)

## Share transfer system

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

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

Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement: Sub division/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website under the weblink at [https://www.pitti.in/investor\\_desk/investors\\_si\\_f\\_srf.php](https://www.pitti.in/investor_desk/investors_si_f_srf.php) and on the website of the Company's RTA. It may be noted that any service request can be processed only after the folio is KYC compliant.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

## Distribution of shareholding as on 31st March 2023

Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	24488	91.52	20,34,778	6.35
5001 to 10000	1170	4.37	9,15,380	2.86
10001 to 20000	526	1.97	8,02,384	2.50
20001 to 30000	167	0.62	4,26,263	1.33
30001 to 40000	91	0.34	3,27,708	1.02
40001 to 50000	66	0.25	3,06,708	0.96
50001 to 100000	127	0.47	9,60,581	2.99
Above 100000	122	0.46	2,62,76,265	81.99
<b>Total</b>	<b>26757</b>	<b>100.00</b>	<b>3,20,50,067</b>	<b>100.00</b>

## Distribution of shareholding as on 31st March 2023

Category	No of Shares	%
Promoters & Promoter group	1,90,01,227	59.29
Mutual Funds	9,85,264	3.07
Alternate Investment Funds	3,11,304	0.97
Insurance Companies	5,99,599	1.87
Individuals	82,92,606	25.87
Body Corporates	16,60,409	5.18
NRI	3,12,384	0.98
HUF	4,78,039	1.49
Directors and Relatives	1,620	0.01
IEPF	4,00,817	1.25
Clearing Members	6,798	0.02
<b>Total</b>	<b>3,20,50,067</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.42% of the Company's equity share capital are dematerialised as on 31st March 2023. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE450D01021.

Mode of holding	No of Shares	%
NSDL	2,59,50,469	80.97
CDSL	59,12,350	18.45
Physical	1,87,248	0.58
<b>Total</b>	<b>3,20,50,067</b>	<b>100.00</b>

The annual custody/issuer fee for the financial year 2023-24 has been paid by the Company to Central Depository Services Limited and National Securities Depository Limited, within the due date.

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

## Mandatory KYC

Securities and Exchange Board of India (SEBI) vide its Circular dated 16th March 2023 has mandated all shareholders holding shares in physical mode to furnish PAN, nomination, contact details, Bank account details and specimen signature for their corresponding folio numbers on or before 1st October 2023. In case the shareholders do not update their PAN, KYC details and nomination, the Registrar and Transfer agent (RTA) of the Company shall

- freeze the folio for lodging any grievance / service request or for paying dividend in physical mode on 1st October 2023

- the securities in the frozen folio shall be referred by the RTA to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on 31st December 2025.

Members are requested to submit their PAN, KYC and nomination details to the Company's RTA viz, XL Softech Systems Limited. The format of Mandatory KYC documents is available on the Company's website [www.pitti.in](http://www.pitti.in) under Investor Desk. Members holding shares in electronic form are requested to submit their KYC to their depository participant(s).

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

The Company does not have any outstanding GDRs/ADRs / Convertible Instruments as on 31st March 2023.

## Plant locations

Hyderabad - Plant II	Hyderabad - Plant IV	Aurangabad
Survey No.1837 & 1838, Jingoniguda Road, Nandigaon Village & Mandal Ranga Reddy District – 509 223 Telangana, India	Survey No.1837, Jingoniguda Road, Nandigaon Village & Mandal Ranga Reddy District – 509 223 Telangana, India	Gut No.194, Limbe Jalgaon Village, Gangapur Mandal, Aurangabad District-431133 Maharashtra, India

## Address for correspondence

### For shares held in physical form

XL Softech Systems Limited  
3, Sagar Society, Road No.2  
Banjara Hills, Hyderabad – 500 034  
Ph: +91 40 23545913 / 14 / 15  
Fax: +91 40 23553214  
Email: [xlfield@gmail.com](mailto:xlfield@gmail.com)

### For shares held in demat form

To the Depository Participant



**For query on Annual Report**

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

**For investor grievances**

Email: [shares@pitti.in](mailto:shares@pitti.in)

**Credit Ratings**

During the year under review, India Ratings and Research Private Limited has revised the rating outlook to Positive from Stable while affirming its long-term issuer rating at IND A- and short term rating IND A2+.

**Unclaimed Dividend**

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

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

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

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

The details of the unpaid / unclaimed amounts lying with the Company is available on the website of the Company at [www.pitti.in](http://www.pitti.in).

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

Pursuant to Section 124(5) of the Companies Act, 2013, the Company during the year under review, has credited the unclaimed dividend of ₹ 3,91,565/- pertaining to unclaimed final dividend of financial year 2014-15 to the Investor Education and Protection Fund (IEPF).

In accordance with the provisions of the Companies Act, 2013 the Company has transferred 17,600 equity shares on 19th December 2022 to the credit of IEPF Authority in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more as on the cut-off date, i.e. 24th October 2022.

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

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

**Equity shares in the suspense account**

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

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholder and the outstanding shares lying in the unclaimed suspense account as on 1st April 2022	117	28000
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	2	400
Number of shareholders to whom the shares were transferred from the unclaimed suspense account during the year	2	400
Number of shareholders whose shares were transferred from unclaimed suspense account to IEPF account as per section 124 of the Companies Act, 2013	-	-
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31st March 2023	115	27600

In terms of SEBI circular dated 25th January 2022, the Company has issued letter of confirmations in lieu of the original share certificates reported lost. In compliance with SEBI guidelines dated 30th December 2022, the company has opened an unclaimed securities suspense escrow account and has transferred 200 shares to the escrow account, for which the shareholder has failed to submit the letter of confirmation to the depository participant within 120 days from the date of issue.

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

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

**Compliance certificate of the Auditors**

Certificate from the Company’s Auditors Talati & Talati LLP, Chartered Accountants confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the Listing Regulations is attached to this report.

**Declaration**

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company’s Code of Conduct and Ethics for the year ended 31st March 2023.

**For and on behalf of the Board of Directors**

Place : Hyderabad  
Date : 29th May 2023

**Sharad B Pitti**  
Chairman & Managing Director  
DIN: 00078716

## Certificate of Non-Disqualification of Directors

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

To,  
The Members,  
**Pitti Engineering Limited,**  
Hyderabad.

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

In my opinion and to the best of my knowledge and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanation furnished to me by the Company and its officers. I hereby certify that none of the Directors as stated below for the financial year ending on 31st March 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

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

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

Place: Hyderabad  
Date: 29th May 2023

**Ajay Kishen**  
Practicing Company Secretary  
M.No: 6298 CP:5146  
UDIN: F006298E000403961

## Independent Auditors' Certificate on Corporate Governance

To  
Members of **Pitti Engineering Limited**

We, Talati & Talati LLP, Chartered Accountants, the Statutory Auditors of Pitti Engineering Limited (“the Company”), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2023, as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“SEBI Listing Regulations”).

### Management's Responsibilities:

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

### Auditor's Responsibilities:

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

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

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

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

### Opinion:

Based on our examination of relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended 31st March 2023.

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

### Restriction on Use:

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

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

**Amit Shah**  
Partner

Place of Signature: Hyderabad  
Date: 29th May 2023

Membership Number: 122131  
UDIN: 23122131BCYHKM5642

## CEO / CFO Certification

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

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

- A. We have reviewed financial statements and the cash flow statement (Standalone and Consolidated) for the year ended 31st March 2023 and that to the best of our knowledge and belief, we state that:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions are entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that:
- there are no significant changes in internal control over financial reporting during the year
  - there are no significant changes, if any, in accounting policies during the year and
  - there are no instances of significant fraud of which we have become aware.

Place: Hyderabad  
Date : 29th May 2023

**Sharad B Pitti**  
Chairman & Managing Director  
DIN:00078716

**M Pavan Kumar**  
Chief Financial Officer  
M.No.216936