

Consolidated Balance Sheet

as at 31st March 2024

₹ in lakhs

Particulars	Notes	As at 31.03.2024	As at 31.03.2023
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	33,363.83	27,887.49
(b) Capital work-in-progress		11,807.77	2,405.69
(c) Intangible assets	2B	524.13	919.98
(d) Right of use assets	2C	8,329.66	7,428.52
(e) Investment property	2D	-	190.90
(f) Financial Assets			
(i) Investments	3A	1,520.23	1,514.52
(ii) Other financial assets	3B	377.43	852.55
(g) Other non-current assets	4	6,402.26	2,374.58
TOTAL NON - CURRENT ASSETS		62,325.31	43,574.23
CURRENT ASSETS			
(a) Inventories	5	27,019.95	23,931.40
(b) Financial Assets			
(i) Investments	6A	1.23	1.11
(ii) Trade receivables	6B	21,039.22	18,144.63
(iii) Cash and Cash equivalents	6C	7,593.41	3,970.14
(iv) Other bank balances	6D	3,351.24	2,546.46
(v) Other financial assets	6E	139.46	86.25
(c) Other current assets	7	11,528.76	5,541.38
TOTAL CURRENT ASSETS		70,673.27	54,221.37
TOTAL ASSETS		1,32,998.58	97,795.60
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,602.92	1,602.92
(b) Other equity	9	40,019.48	31,800.59
TOTAL EQUITY		41,622.40	33,403.51
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	26,294.34	12,187.91
(ii) Lease liability	10 B	6,258.49	5,403.58
(iii) Other financial liabilities		0.36	0.36
(b) Provisions	11	1,729.31	817.05
(c) Deferred tax liabilities(net)	12	365.52	851.08
TOTAL NON-CURRENT LIABILITIES		34,648.02	19,259.98
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	27,374.29	16,802.92
(ii) Lease liability	13B	1,689.94	1,248.55
(iii) Trade payables	13C		
Dues to micro and small enterprises		254.28	136.05
Dues to other enterprises		22,500.89	24,994.29
(iv) Other financial liabilities	13D	1,265.83	832.49
(b) Other current liabilities	14	317.07	453.43
(c) Provisions	15	617.09	425.14
(d) Income tax liabilities (net)	16	2,708.77	239.24
TOTAL CURRENT LIABILITIES		56,728.16	45,132.11
TOTAL EQUITY AND LIABILITIES		1,32,998.58	97,795.60

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

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited
CIN : L29253TG1983PLC004141For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
110758W/W100377**Sharad B Pitti**
Founder & Chairman
DIN:00078716**Akshay S Pitti**
Managing Director &
Chief Executive Officer
DIN:00078760**Amit Shah**
Partner
M.No:122131**G Vijaya Kumar**
Director
DIN:00780356**M Pavan Kumar**
Chief Financial Officer
M. No: 216936**Mary Monica Braganza**
Company Secretary &
Chief Compliance Officer
M. No:F5532Place: Hyderabad
Date : 15th May 2024Place: Hyderabad
Date : 15th May 2024

Consolidated Statement of Profit & Loss

for the year ended 31st March 2024

₹ in lakhs

Particulars	Notes	For the Year ended 31.03.2024	For the Year ended 31.03.2023
INCOME			
Revenue from operations	17	1,20,159.64	1,10,017.15
Other income	18	4,820.89	1,783.05
TOTAL INCOME		1,24,980.53	1,11,800.20
EXPENSES			
Cost of Materials consumed	19	80,040.96	78,143.23
Changes in inventories of work-in-process, finished goods and scrap	20	550.41	87.57
Employee benefits expenses	21	10,816.48	8,845.64
Finance costs	22	4,999.30	4,465.41
Depreciation and amortization expenses	2	5,401.91	4,465.23
Other expenses	23	10,980.80	7,802.25
TOTAL EXPENSES		1,12,789.86	1,03,809.33
Profit before tax		12,190.67	7,990.87
TAX EXPENSES	24		
(a) Current tax		3,523.79	2,130.09
(b) Tax relating to earlier years		(6.48)	(1.31)
(c) Deferred tax		(345.77)	(21.40)
TOTAL TAX EXPENSES		3,171.54	2,107.38
Profit for the period		9,019.13	5,883.49
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		(561.14)	(31.74)
Change in fair value of investment		5.71	(126.48)
Income tax relating to items that will not be reclassified subsequently to profit or loss		139.79	39.82
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		(415.64)	(118.40)
Total Comprehensive Income		8,603.49	5,765.09
Earnings per Equity Share of Face Value of ₹ 5/- each	25.1		
(a) Basic		28.14	18.36
(b) Diluted		28.14	18.36

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For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
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Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

Mary Monica Braganza
Company Secretary &
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M. No:F5532

Place: Hyderabad
Date : 15th May 2024

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Date : 15th May 2024

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

(a) Equity Share Capital

₹ in lakhs

Particulars	Note No.	
Balance as at 1st April 2022		1,602.92
Changes in equity share capital during the year		-
Balance as at 31st March 2023	8	1,602.92
Balance as at 1st April 2023		1,602.92
Changes in equity share capital during the year		-
Balance as at 31st March 2024	8	1,602.92

(b) Other Equity

₹ 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 at 1st April 2022	8,106.46	750.48	17,862.21	(93.16)	162.69	26,788.68
Profit for the period	-	-	5,883.49	-	-	5,883.49
Fair Valuation of investments	-	-	-	(94.65)	-	(94.65)
Actuarial Gain/(Loss)	-	-	-	-	(23.75)	(23.75)
Total Comprehensive Income for the previous year	8,106.46	750.48	23,745.70	(187.81)	138.94	32,553.77
Dividends	-	-	(753.18)	-	-	(753.18)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2023	8,106.46	750.48	22,992.52	(187.81)	138.94	31,800.59
Balance as at 1st April 2023	8,106.46	750.48	22,992.52	(187.81)	138.94	31,800.59
Profit for the period	-	-	9,019.13	-	-	9,019.13
Fair Valuation of investments	-	-	-	4.27	-	4.27
Actuarial Gain/(Loss)	-	-	-	-	(419.91)	(419.91)
Total Comprehensive Income for the current year	8,106.46	750.48	32,011.65	(183.54)	(280.97)	40,404.08
Dividends	-	-	(384.60)	-	-	(384.60)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2024	8,106.46	750.48	31,627.05	(183.54)	(280.97)	40,019.48

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

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited

CIN : L29253TG1983PLC004141

For Talati & Talati LLP

Chartered Accountants

Firm's Registration Number:

110758W/W100377

Sharad B Pitti

Founder & Chairman

DIN:00078716

Akshay S Pitti

Managing Director &

Chief Executive Officer

DIN:00078760

Amit Shah

Partner

M.No:122131

G Vijaya Kumar

Director

DIN:00780356

M Pavan Kumar

Chief Financial Officer

M. No: 216936

Mary Monica Braganza

Company Secretary &

Chief Compliance Officer

M. No:F5532

Place: Hyderabad

Date : 15th May 2024

Place: Hyderabad

Date : 15th May 2024

Consolidated Statement of Cash Flows

for the year ended 31st March 2024

₹ in lakhs

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	12,190.67	7,990.87
Adjusted for		
Depreciation and amortisation expenses	5,401.91	4,465.23
Interest Income	(267.56)	(177.86)
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
(Gain) / Loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(12.90)	(21.70)
(Gain)/ Loss on Lease modification	(0.99)	-
Re-measurement gains/(losses) on employee defined benefit plans	(561.14)	(31.74)
Re-measurement gains/(losses) on Investments	5.84	(126.48)
Loss on current financial assets measured at FVTPL	(5.97)	126.11
Unrealised foreign exchange differences	100.09	75.94
Finance Costs	4,999.30	21,874.25
Operating Profit before Working Capital changes	21,874.25	16,808.79
Working Capital changes adjusted for		
Trade & Other Receivables	(9,247.52)	3,491.32
Inventories	(3,088.55)	3,297.31
Trade and other payables	(1,132.05)	2,150.98
	(13,468.12)	8,939.61
Cash generated from operations	8,406.13	25,748.40
Direct Taxes Paid	(1,047.78)	(3,452.75)
Cash Flow before extraordinary items	7,358.35	22,295.65
Net Cash Flow From Operating Activities - (A)	7,358.35	22,295.65
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & equipment and intangibles	(17,455.26)	(9,570.85)
Advances to Property, Plant & equipment and intangibles	(4,003.68)	(63.10)
ROU Assets as per IND AS 116	(2,441.32)	(1,047.45)
Proceeds from sale of property, plant & equipment	97.71	171.48
Interest income received	228.60	156.77
Net Cash used in Investing Activities - (B)	(23,573.95)	(10,353.15)

Standalone Statement of Cash Flows

for the year ended 31st March 2024

₹ in lakhs

Particulars	For the Year ended 31.03.2024	For the Year ended 31.03.2023
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Payments for Principal portion of lease liability	1,425.25	(178.66)
Cash Payments for Interest portion of lease liability	(128.95)	(2.87)
Proceeds from Borrowings - Noncurrent (including current maturities)	21,481.93	3,819.65
Repayment of Borrowings - Noncurrent (including current maturities)	(2,795.69)	(3,177.58)
Proceeds/(repayments) of short-term borrowings (Net)	5,991.56	(4,094.03)
Finance charges	(4,947.32)	(4,545.26)
Term Deposit Accounts with financial institutions	(803.31)	195.76
Payment of Dividend	(383.13)	(751.39)
Unclaimed Dividend	(1.47)	(1.79)
	19,838.87	(8,736.17)
Net Cash used in Finance Activities - (C)	19,838.87	(8,736.17)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	3,623.27	3,206.33
Opening Balance in Cash and Cash Equivalents	3,970.14	763.81
Closing Balance in Cash and Cash Equivalents	7,593.41	3,970.14
Components of cash and cash equivalents:		
Cash on hand	2.37	3.31
Balances with banks		
Current accounts	1,130.92	1,234.72
EEFC accounts	1.12	1.11
Term Deposit Accounts with in 3 months of maturity (Without lien)	6,459.00	2,731.00
Total cash and cash equivalents	7,593.41	3,970.14

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

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For and on behalf of the Board of Directors of

Pitti Engineering Limited
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Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION

1.1. CORPORATE INFORMATION

The Consolidated financial statements comprise financial statements of Pitti Engineering Limited ("the Holding Company" or "The Company") which is a public Company and it's wholly owned subsidiary "Pitti Rail and Engineering Components Limited" which is incorporated in India during the FY 2020-21. The registered office of the Group is located at 4th floor Padmaja Landmark, Somajiguda, Hyderabad – 500082, Telangana, India. The shares of the holding company are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd.

The Group is engaged in the manufacturing of engineering products of iron and steel including electrical steel laminations, stator & rotor core assemblies, sub-assemblies, pole assemblies, die-cast rotors, press tools and high precision machining of various metal components including railways.

1.2. BASIS OF PREPARATION AND PRESENTATION

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The Consolidated financial statements of the Group are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

The Shareholders have the power to amend the Consolidated Financial Statements after the issue.

1.3 PRINCIPLES OF CONSOLIDATION

- (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 comprise of Pitti Engineering Limited and its wholly owned subsidiary Pitti Rail and Engineering Components Limited, being the entity that it controls. Control is assessed in accordance with the requirement of Ind AS 110 – Consolidated financial statements.

The Consolidated financial statements have been prepared on an accrual basis and in accordance with the on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Consolidated financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

(b) Significant accounting judgments, estimates and assumptions

The preparation of the Group's Consolidated financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The management believes that the estimates used in the preparation of Consolidated financial statements are prudent and reasonable.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future period is effected.

(d) Current/ Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

1.5. A. PROPERTY, PLANT AND EQUIPMENT

Freehold land is measured at cost and not depreciated. All other items of property, plant and equipment (includes Tools and Dies) are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes GST eligible for credit / setoff.

Such cost includes the cost of replacing part of the plant and equipment, costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are

met. When significant parts of plant and equipment are required to be replaced at intervals, the same were depreciated separately based on their specific useful lives.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

The Group records a provision for dismantling cost towards Plant and Machinery wherever applicable. Dismantling costs are provided at the present value of future expenditure using the current pre-tax rate expected to be incurred to fulfil dismantling obligation and are recognized as part of the cost of the underlined asset. Any change in the present value of expenditure other than unwinding of discount on the provision is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the statement of profit and loss.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

All identifiable Revenue expenses including interest incurred in respect of various projects / expansion, net of income earned during the project development stage prior to its intended use, are considered as pre – operative expenses and disclosed under Capital Work-in-Progress.

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under other non-current assets.

Property, plant and equipment are eliminated from Consolidated financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, Plant and Equipment is provided on straight-line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act,

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

2013, where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing ₹ 5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the assets where the useful life estimated by Management is different from the Act details are given below.

Category of asset	Estimated useful lives as assessed by the Management	Useful lives as per Schedule II to the Act
Factory Building	5-30 years	30 years
Leasehold Building	3-30 years	30 years
Furniture and Fixtures	2-14 years	10 years
Patterns, Match Plates	2-10 years	15 years
Plant & Machinery	2-20 years	15 years
Electricals	2-15 years	10 years
Office Equipment	2-15 years	5 years
Lab & Test Equipment	2-10 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	8-10 years	10 years
Vehicles-Motor Cars	2-8 years	8 years
Computers – Servers	6 years	6 years
Computers – Desktops	3-6 years	3 years
Computer Software	3-10 years	3 years

The useful life of each tool has been estimated in number of strokes; hence Depreciation has also been done on the number of strokes made by each tool during the year. However, if any tool wears out or becomes obsolete before expiry of the estimated life, the remaining value of the tool is depreciated during that year.

B. INTANGIBLE ASSETS

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortization and impairment loss, if any.

Intangible assets including software is amortized over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The estimated useful life and the amortization period of the intangible assets are reviewed at the end of each financial year and the amortization period is revised to reflect the changed pattern, if any.

Development expenditures on an individual product/project are recognized as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to

complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

Product development cost are amortized on a straight-line basis over a period of 60 months.

Subsequent cost

Subsequent costs incurred for replacement of a major component of an asset are included in the asset's carrying cost or recognized as a separate asset, as appropriate. The carrying values of the replaced components are recognized to statement of Profit and Loss when replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Gains or losses arising from de-recognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

C. INVESTMENT PROPERTY

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment if any. Depreciation is recognised using the straight-line method so as to amortise the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act 2013. Transfers to or from investment properties are made at the carrying amount when and only when there is a change in use. An item of investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

1.6. IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

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

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.7. REVENUE RECOGNITION

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

The control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period. While in case of job work services, the same is recognised after the completion of service.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts offered by the Group as part of the contract. Variable considerations are determined based on the most likely amount. Consideration is due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

Payment terms with a customer are as per business practice and there is no financing components involved in the transaction price.

(a) Interest income

Interest Income from financial asset is recognized when it is probable that the economic benefits flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

(b) Dividend income

Dividend income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(c) Other income

Revenue in respect of other income is recognized when a reasonable certainty as to its realization exists.

Income from export incentives under Foreign Trade Policy relating to RodTep, duty drawback, premium on sale of import licenses, and lease license fee are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

1.8. INVESTMENTS

The Group has accounted for its investment in subsidiary at cost less impairment loss (if any).

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the company has elected to present the change in 'Other Comprehensive Income'.

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

1.9. INVENTORIES

- (a) Inventories include raw material, work in progress, finished goods, scrap and stores, spares and consumables. Work in progress & finished goods are carried at the weighted average cost or net realizable value whichever is lower.
- (b) Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost or net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.
- (c) The cost of inventories is computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.
- (d) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

1.10. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

1.11. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

Items included in the Consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

Foreign exchange differences arising on foreign currency borrowings is disclosed under finance cost, other than on 'Borrowing costs' in accordance with Ind AS 23, which is directly attributable to the acquisition, construction, or production of a qualifying asset forming part of the cost of the asset.

Net gain or loss on foreign currency translations on trade receivables and trade payables is classified under other income or other expenses as the case may be.

(a) Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognized in the Statement of Profit and Loss.

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

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

1.12. EMPLOYEE BENEFITS

Short term employee benefits:

All employee benefits payable wholly within twelve months after the end of the annual reporting period in which the employees render the related services, are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

Post-employment benefits

Defined Contribution Plan

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Contribution as per Employee's Provident Funds and Miscellaneous Provisions Act, 1952 towards Provident

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Fund and Family Pension Fund are provided for and payments in respect thereof are made to the relevant authorities on actual basis.

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

Defined Benefit Plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with the actuarial valuations being carried out at the end of each annual reporting period

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

Remeasurements comprising of actuarial gains and losses the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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

Past service costs are recognized in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine Settlements; and

- (ii) Net interest expense or income

Termination Benefits

When the employee early retirement/termination/resignation/withdrawal the normal retirement benefit will be paid based on the service up to the date of exit.

1.13. BORROWING COSTS

Borrowing costs, which are directly attributable to the acquisition/construction or production of a qualifying asset which are the assets that necessarily takes substantial period of time to get ready for intended use or sale till the time such assets are ready for intended use, are capitalized as part of the costs of such assets. Other Borrowing costs are recognized as expenses in the year in which they are incurred.

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

1.14. LEASES

The Group as a lessee

As per Ind AS-116, the Group has recognized lease liabilities and corresponding equivalent right-of-use assets. The Group's lease asset primarily consist of leases for Land, Buildings, Plant & Machinery and Vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves the use of an identified asset.
- (ii) The Group has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognizes the lease payments as an operating expense.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

1.15. EARNINGS PER SHARE

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

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

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.16. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating

Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.12 for the segment information presented.

1.17. PROVISIONS AND CONTINGENCIES

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The expenses relating to a provision is presented in the Statement of Profit & Loss net of any reimbursement.

1.18. TAXATION

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The Group has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2024 have been made accordingly.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.19. FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and Measurement

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at Fair Value Through Profit or Loss, are adjusted to the fair value on initial recognition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date i.e. the date that the Company commits to purchase or sell the asset.

However, Trade Receivables that do not contain significant financing components are measured at transaction price.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- (i) Debt instruments at amortized cost
- (ii) Debt instruments at fair value through other comprehensive income (FVTOCI)
- (iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- (iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows,

And

- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments

of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - (a) The Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group uses expected credit loss model, for evaluating impairment of financial assets other than those measured at sale value through profit and loss. Expected credit losses are measured through a loss allowance at an amount equal to :

- The twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument but are possible within twelve months after the reporting date.) : or

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for the year ended 31st March 2024

- Full life time expected credit losses (expected credit losses that result from those default events over the life of the financial instrument).

For trade receivables, the Group applies simplified approach which requires expected lifetime losses to be recognized from initial recognition of the receivables at every reporting date the existing trade receivables are reviewed and accordingly required credit loss is recognized in books.

For other assets (other than trade receivables), the Group uses twelve months expected credit loss to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full life time expected credit loss is used.

Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization

is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative Financial Instrument and Hedge Accounting

The Company uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these Consolidated financial statements is determined on such basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2.

Levels of Risk in Fair Value Measurement:

Level 1 – The fair value of financial instruments quoted in active markets is based on their quoted in active market is based on their quoted closing price at the balance sheet date.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters

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for the year ended 31st March 2024

for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

Level 3 – The fair value of financial instruments that are measured on the basis of entity specific valuation using inputs that are not based on observable market data (unobservable inputs)

1.20. EXCEPTIONAL ITEM

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

1.21. GOVERNMENT GRANT

Government grants including any non-monetary grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grants are recognized in the statement of profit and loss on a systematic basis over the periods in which the related costs, which the grants are intended to compensate, are recognized as expenses. Government grants related to property, plant and equipment are presented at fair value and grants are recognized as deferred income.

Grants from government authorities relating to income are recognised in the profit or loss as other Income when the reasonable assurance is established as per the terms of the scheme.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE : 2

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

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2023	ADDITIONS	ADJUSTMENTS	As at 31.03.2024	FOR THE YEAR	FOR RESERVES	As at 31.03.2024	As at 31.03.2023
Property, Plant & Equipment								
Land	1,969.00	210.34	0.49	2,179.83	-	-	-	1,969.00
Factory Building		-	-		-	-		
- on Own premises	3,587.93	1,255.40	400.35	5,243.68	160.48	-	1,339.61	2,641.28
- on Lease hold Property	1,459.43	-	-	1,459.43	54.98	-	866.34	648.07
Office Building		-	-		-	-		
- on Lease hold Property	48.37	105.89	-	154.26	8.67	-	12.37	44.67
Plant & Equipment	34,096.69	5,214.68	709.17	40,020.54	17,844.47	2,930.22	21,136.75	16,252.22
Tools	5,713.93	1,332.53	(498.35)	6,548.11	466.26	-	1,023.04	4,760.99
Patterns, Match plates & Mould Box	504.95	56.36	(2.46)	558.85	68.98	-	249.35	323.61
Office Equipment	389.28	186.80	(82.59)	493.49	50.95	-	231.46	128.44
Furniture & Fixtures	303.16	151.10	(3.88)	450.38	30.40	-	184.55	145.30
Other-Computers	363.70	86.42	(53.59)	396.53	268.48	-	262.63	95.22
Vehicles	1,212.94	462.41	(39.33)	1,636.02	167.56	-	471.19	878.69
Sub Total	49,649.38	9,061.93	429.81	59,141.12	21,761.89	3,983.18	25,777.29	27,887.49
Capital Work In Progress	2,405.69	19,416.85	(10,014.77)	11,807.77			11,807.77	2,405.69

During the current year, ₹ 418.49 lakhs (Previous year ₹ 85.80 lakhs) interest capitalized on term loans.

Capital Work in Progress ageing schedule

Particulars	As at 31st March 2024					As at 31st March 2023		
	Amount in CWIP for a period of					Amount in CWIP for a period of		
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years
Projects in progress	11,184.49	623.28	-	-	11,807.77	2,348.38	57.31	-
Projects temporarily suspended	-	-	-	-	-	-	-	-
Total	11,184.49	623.28	-	-	11,807.77	2,348.38	57.31	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE : 2B INTANGIBLE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	20.03	(326.78)	31.03.2024	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Computer Software	833.02	20.03	(326.78)	526.27	40.28	-	442.65	83.62	106.42
Product Development Expenses	2,086.64	-	-	2,086.64	373.05	-	1,646.13	440.51	813.56
Sub Total	2,919.66	20.03	(326.78)	2,612.91	413.33	-	2,088.78	524.13	919.98

NOTE: 2C RIGHT OF USE ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	-	-	31.03.2024	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Land	227.69	-	-	227.69	17.88	-	89.40	138.29	156.17
Building	2,602.44	-	-	2,602.44	156.29	-	701.92	1,900.52	2,056.81
Plant and Machinery	6,049.25	2,401.51	(932.79)	7,517.97	804.16	-	1,290.73	6,227.24	5,175.02
Vehicles	115.85	46.78	(18.12)	144.51	17.71	-	80.90	63.61	40.52
Subtotal	8,995.23	2,448.29	(950.91)	10,492.61	996.04	-	2,162.95	8,329.66	7,428.52

Note: 2D INVESTMENT PROPERTY*

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at	ADDITIONS	ADJUSTMENTS	As at	FOR THE	FOR	As at	As at	As at
	01.04.2023	5.00	(458.04)	31.03.2024	YEAR	RESERVES	31.03.2024	31.03.2024	31.03.2023
Land	0.49	-	(0.49)	-	-	-	-	-	0.49
Factory Building	452.55	5.00	(457.55)	-	9.36	-	(271.50)	-	190.41
Sub Total	453.04	5.00	(458.04)	-	9.36	-	(271.50)	-	190.90
Grand Total (A+B+C+D)	62,017.31	11,535.25	(1,305.92)	72,246.64	25,590.42	5,401.91	(314.85)	30,029.02	36,426.89
Excluding CWIP									
Previous Year	54,296.39	8,385.33	(664.41)	62,017.31	21,624.90	4,465.23	(499.71)	25,590.42	32,671.49

* During the Current financial year Company started operations, and hence Investment property transferred to Property, Plant & Equipment (Previous year Fair Market Value on 05.05.2023 ₹ 1551.89 Lakhs as per valuation report given by registered independent valuer)

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 3A : INVESTMENTS

₹ in lakhs		
Particulars	As at 31.03.2024	As at 31.03.2023
Investment with Pitti Castings Private Limited (Unquoted)		
a. Equity Shares	287.23	281.52
(40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000)		
Presented as per Fair Market Value as per Ind AS Requirement (Refer Note)		
b. Redeemable Preferential shares	1,233.00	1,233.00
(1,23,30,000 Preferential shares (non-cumulative non-participative redeemable) at face value ₹ 10/- each, previous year 1,23,30,000)		
TOTAL OF UNQUOTED INVESTMENTS	1,520.23	1,514.52

Note :

The fair value of investment in PCPL as on the balance sheet date has been considered in accordance with the Valuation report dated 15th June 2023 (Valuation date - 14th June 2023) obtained in relation to the Scheme of amalgamation filed with NCLT for its approval as provided in Note 25.24. (for the previous year fair value as on 31/03/2023 is considered as per valuation report dated 10th May 2023.)

NOTE 3B : OTHER FINANCIAL ASSETS

₹ in lakhs		
Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Term Deposits with Financial Institutions	327.96	807.20
Security Deposits:		
With Lessor	33.39	31.01
With suppliers	16.08	14.34
TOTAL	377.43	852.55

NOTE 4 : OTHER NON CURRENT ASSETS

₹ in lakhs		
Particulars	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Capital Advance for Property, Plant and Equipment	6,207.33	2,203.65
Prepaid Expenses - Rent Deposits	41.70	43.75
Gold Coins	1.49	1.49
Deposits:		
With government bodies	151.74	125.69
TOTAL	6,402.26	2,374.58

NOTE 5 : INVENTORIES

₹ in lakhs		
Particulars	As at 31.03.2024	As at 31.03.2023
(At lower of cost or Net realisable value)*		
Raw material	16,080.49	13,402.64
Material in Transit - Raw Material	857.54	289.23
Work in process	5,174.16	3,669.33
Finished goods	2,334.28	4,489.04
Stores and spares	2,451.24	2,058.44
Scrap	122.24	22.72
TOTAL	27,019.95	23,931.40

*Raw materials including materials in transit, stores & spares, consumables and additives are valued at lower of cost or net realizable value. However, these items are considered to be realisable at cost if the finished products in which they will be used, are expected to be sold at or above cost. The cost is computed on weighted average basis and the same is charged off to revenue on its issue.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 6A : INVESTMENTS

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd.	1.19	1.07
Face Value 1,000 Equity Shares of ₹ 10/- each (Previous year 1,000)		
Presented as per Fair Market Value as per Ind AS Requirement		
II. Unquoted		
Saraswat Co-operative Bank Ltd.	0.01	0.01
50 Equity Shares of ₹ 10/- each (Previous year 50)		
S.V. Co-operative Bank Ltd	0.03	0.03
100 Equity Shares of ₹ 25/- each (Previous year 100)		
TOTAL	1.23	1.11

NOTE 6B : TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Trade Receivables considered good - Secured*	322.15	-
Trade Receivables considered good - Unsecured	20,742.07	18,188.17
Trade Receivables which have Significant increase in Credit Risk	(15.63)	-
Trade Receivables - credit impaired	(9.37)	(43.54)
TOTAL	21,039.22	18,144.63

*Sales against Letter of Credit

Trade Receivables ageing schedule for the year ended 31 st March 2024

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	19,011.99	2,038.39	7.70	2.90	3.11	0.13	21,064.22
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	(2.88)	(2.09)	(1.24)	(3.11)	(0.05)	(9.37)
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(vii) Less : allowances for Credit losses		(11.15)	(2.99)	(1.41)	-	(0.08)	(15.63)
Total {(i)-[(ii)-(iii)]+{(iv)-[(v)-(vi)]-(vii)}}	19,011.99	2,024.36	2.62	0.25	-	-	21,039.22

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

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	16,728.60	1,401.90	10.66	46.88	0.05	0.08	18,188.17
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	(43.54)	-	-	(43.54)

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 6B : TRADE RECEIVABLES (Contd..)

₹ in lakhs

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total {(i)-[(ii)-(iii)]+[(iv)-[(v)-(vi)]]}	16,728.60	1,401.90	10.66	3.34	0.05	0.08	18,144.63

NOTE 6C : CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Cash on Hand	2.37	3.31
Balances with banks		
Current Accounts	1,130.92	1,234.72
EEFC Accounts	1.12	1.11
Term Deposit Accounts with in 3 months of maturity	6,459.00	2,731.00
Cash & Cash equivalents - Total	7,593.41	3,970.14

NOTE 6D : OTHER BANK BALANCES

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account (Refer note)	10.20	8.73
Term Deposits - held as margin money for NFB limits	3,286.14	2,537.73
Other Deposits	54.90	-
Other bank balances - Total	3,351.24	2,546.46

Note:

During the year Nil(Previous year an amount of ₹ 3.92 lakhs, was transferred to Investor Education and Protection Fund (IEPF) which is relating to final dividend of the FY 2014-15)

NOTE 6E : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Interest accrued on Deposits	125.21	86.25
Earnest Money Deposit Amount	14.25	-
TOTAL	139.46	86.25

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 7 : OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	295.63	1,184.41
Central Excise, Sales tax, GST etc.,	4,368.43	1,981.94
Export Incentive Receivables	340.96	35.66
State Industrial Promotion Subsidy receivables	5,663.25	1,410.86
Income Tax and other taxes	198.58	240.66
Employees	2.92	2.99
Prepaid expenses	658.99	684.86
TOTAL	11,528.76	5,541.38

NOTE 8 : EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Authorised Capital		
6,00,00,000 Equity Shares of ₹ 5/- each (Previous Year 6,00,00,000)	3,000.00	3,000.00
TOTAL	3,000.00	3,000.00
Issued, Subscribed and Paid up	1,602.50	1,602.50
3,20,50,067 Equity shares of ₹ 5/- each (Previous year 3,20,50,067)		
8,300 Equity Shares forfeited of ₹ 5/- each (Previous year 8,300)	0.42	0.42
TOTAL	1,602.92	1,602.92

Notes

(a) Reconciliation of equity shares

Particulars	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	₹ In Lakhs	No. of Shares	₹ In Lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50
Issued during the period	-	-	-	-
At the closing of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50

(b) Rights, preferences and restrictions attached to shares :

The Company has only one class of equity shares having a par value of ₹ 5/- each and the holder of the equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the Annual General Meeting except in the case of interim dividend. In the event of liquidation of the Company the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to their share holding.

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

Name	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19
Smt Madhuri S Pitti	17,58,620	5.49	17,58,620	5.49
Pitti Electrical Equipment Pvt Ltd	86,47,267	26.98	86,47,267	26.98

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 8 : EQUITY SHARE CAPITAL (Contd..)

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

Promoter Name	As at 31.03.2024		As at 31.03.2023		
	No. of Shares	% of Total Shares	No. of shares	% of total shares	% Change during the year
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57	-
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19	-
Smt Madhuri S Pitti*	17,58,620	5.49	17,58,620	5.49	-
Pitti Electrical Equipment Pvt Ltd*	86,47,267	26.98	86,47,267	26.98	-
Sharad B Pitti HUF*	17,000	0.06	17,000	0.06	-

* Promoter Group

(e) Dividend paid:

Particulars	₹ in lakhs	
	2023-24	2022-23
Dividend Paid (₹ in Lakhs)	384.60	753.18
Dividend Paid per share (₹)	1.20	2.35

The Board of Directors have recommended a dividend of ₹ 1.5 per equity share of ₹ 5/- each for the year ended 31st March, 2024 subject to approval of members of the Company at the ensuing 40th Annual General Meeting.

Note 9 : OTHER EQUITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Securities Premium		
At the beginning of the year	8,106.46	8,106.46
Add: during the period	-	-
At the closing of the period	8,106.46	8,106.46
General Reserve		
At the beginning of the year	750.48	750.48
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	750.48	750.48
Retained Earnings		
At the beginning of the year	22,992.52	17,862.21
Less : Final dividend declared for previous year	(384.60)	(272.43)
Add : Profit for the year	9,019.13	5,883.49
Less : Interim dividend for the year	-	(480.75)
Less : Transferred to general reserve during the year	-	-
At the closing of the period	31,627.05	22,992.52
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	(280.97)	138.94
Change in fair value of investments	(183.54)	(187.81)
At the closing of the period	(464.51)	(48.87)
TOTAL	40,019.48	31,800.59

Securities Premium

The amount received in excess of face value of the equity shares is recognised in securities Premium.

The utilization of securities premium will be as per provisions of the Act.

General Reserve

General reserve is created through an annual transfer of net profit in accordance with applicable regulations.

Retained Earnings

Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 10 A : BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
A. Secured Loans		
Term Loans from Banks (Refer Note a)	23,247.78	8,996.94
Term Loans from others (Refer Note b)	134.83	184.01
Sub total	23,382.61	9,180.95
Vehicle Loans		
From Lenders (Refer Note c)	401.73	496.96
Sub total	401.73	496.96
Total - A	23,784.34	9,677.91
B. Unsecured loans		
From related parties (Refer Note d)	2,510.00	2,510.00
Total - B	2,510.00	2,510.00
TOTAL - (A+B)	26,294.34	12,187.91

Terms and conditions of Loans and Security

(a) Term Loans from Banks

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at	Outstanding Amount as at	Outstanding Amount as at	Outstanding Amount as at		
	31st March 2024	31st March 2023	31st March 2024	31st March 2023		
Term Loans	22,703.32	5,796.99	6,268.17	1,462.96	Monthly/Quarterly instalments payable over remaining period of 6 years.	Notes 1
WCTL/GECL	544.46	3,199.95	657.51	916.83	Monthly instalments payable over remaining period of 5 years	Notes 2
Total - (a)	23,247.78	8,996.94	6,925.68	2,379.79		

(b) Term Loans from Others

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at	Outstanding Amount as at	Outstanding Amount as at	Outstanding Amount as at		
	31st March 2024	31st March 2023	31st March 2024	31st March 2023		
Term Loans	134.83	184.01	49.59	49.59	Monthly instalments payable over remaining period of 4 years	NA
Total - (b)	134.83	184.01	49.59	49.59		
Total - (a+b)	23,382.61	9,180.95	6,975.27	2,429.38		

- (c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029
- (d) Unsecured loans ₹ 2,510 lakhs (previous year ₹ 2,510 lakhs) brought in by the promoters and promoters group as subordinate debt to the secured debt, Carrying interest rate in the range of 7.99% to 8.74% p.a

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 10 A : BORROWINGS (contd.)

Notes :

- 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 and guaranteed by the promoters of the company. Further, SBI is having exclusive charge on immovable properties of Promoters and pledge of 19,44,530 shares of Promoters holding. Term loans carry interest rate in the range of 9.25% to 10.20% p.a.
- 2) WCTL/GECL loans are secured by Pari Passu 2nd charge on present and future Fixed Assets and Current Assets of the Company and 2nd Pari Passue charge on 19,44,530 pledge of shares along with other working capital lenders in consortium and these are repayable at an interest rate range from 9.15% to 9.25%

Note 10B : LEASE LIABILITY

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Lease Liability	6,258.49	5,403.58
TOTAL	6,258.49	5,403.58

Note 11 : PROVISIONS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Provision for Gratuity*	847.93	157.17
Provision for Leave encashment*	315.11	133.49
Provision for Dismantling of Property, Plant & Equipment#	566.27	526.39
TOTAL	1,729.31	817.05

* Refer note no.25.4

The movement in the provision is towards (i) Additions during the period (ii) unwinding of discount

Note 12 : DEFERRED TAX LIABILITIES (NET)*

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
At the beginning of the year	851.08	912.30
Provision for the year	(485.56)	(61.22)
Closing balance	365.52	851.08

* Refer note no.25.15

Note 13A : BORROWINGS

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
Working capital borrowings from Banks (Secured) (Refer Note (a))	19,337.82	13,629.36
Current maturities of long term borrowings: (Refer Note (b))		
Term loans	6,975.27	2,429.38
Vehicle loans	91.20	94.18
Inter Corporate Deposit	970.00	650.00
TOTAL	27,374.29	16,802.92

Note:

- (a) Working capital facilities are availed at interest rate ranging from 6.27% p.a. to 9.50% p.a. which are secured on a pari paasu first charge basis against hypothecation of Inventory (stocks), Trade Receivables and all other current assets both present and future, pari passu second charge on movable and immovable properties of the Company both present and future, pledge of 19,44,530 shares owned by Promoters and secured by way of personal guarantee of the Promoters of the Company
- (b) Refer Note 10A

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 13B : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Lease Liability	1,689.94	1,248.55
TOTAL	1,689.94	1,248.55

NOTE 13C : TRADE PAYABLES

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Dues to micro enterprises and small enterprises (Refer Note 25.18)*	254.28	136.05
Dues to other enterprises	22,500.89	24,994.29
TOTAL	22,755.17	25,130.34

Note:

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

* The amount mentioned is principal only.

Trade Payables ageing schedule for the year ended 31 st March 2024

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed dues - MSME	254.28	-	-	-	-	254.28
(ii) Undisputed dues - Others	20,418.16	2,035.96	31.60	15.11	0.06	22,500.89
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv))	20,672.44	2,035.96	31.60	15.11	0.06	22,755.17

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

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed dues - MSME	136.05	-	-	-	-	136.05
(ii) Undisputed dues - Others	23,875.74	1,087.37	22.79	4.17	4.22	24,994.29
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv))	24,011.79	1,087.37	22.79	4.17	4.22	25,130.34

NOTE 13D : OTHER FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Unclaimed Dividend	10.20	8.73
Interest accrued*	78.96	26.98
Others	1,176.67	796.78
TOTAL	1,265.83	832.49

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 14 : OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Advances from Customers	77.68	298.31
Other Liabilities	239.39	155.12
TOTAL	317.07	453.43

NOTE 15 : PROVISIONS

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for employee benefits :		
Provision for Gratuity	110.58	72.36
Provision for Bonus	388.90	324.97
Provision for Leave encashment	117.61	27.81
TOTAL	617.09	425.14

NOTE 16 : INCOME TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for taxation (net)	2,708.77	239.24
TOTAL	2,708.77	239.24

NOTE 17 : REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales & Services:		
Sale of Products	1,33,513.94	1,23,284.27
Job work & Service Income	1,072.20	767.72
Gross Sales & Services (inclusive of GST)	1,34,586.14	1,24,051.99
Less : GST	(13,706.45)	(13,114.22)
Net Sales & Services	1,20,879.69	1,10,937.77
Sale of Products	1,19,925.49	1,10,248.34
Job work & Service Income	954.20	689.43
Net Sales & Services	1,20,879.69	1,10,937.77
Less : Discounts to Customers	(1,705.11)	(1,461.57)
Revenue from Sales & Services	1,19,174.58	1,09,476.20
Export incentives and others	985.06	540.95
Revenue from Operations	1,20,159.64	1,10,017.15

NOTE 18 : OTHER INCOME

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Deposits	267.56	177.86
Profit on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	12.90	21.70
Profit on Lease Modification	0.99	-
State Industrial Promotion Subsidy	4,354.02	1,479.08
Other Misc. Receipts	185.29	104.04
Change in Fair Value of Investments	0.13	0.37
TOTAL	4,820.89	1,783.05

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 19 : COST OF MATERIALS CONSUMED

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	13,691.87	16,900.78
Add: Purchases	83,287.12	74,934.32
Less : Material in Transit - Raw Material	(857.54)	(289.23)
Less: Closing stock	(16,080.49)	(13,402.64)
Consumption	80,040.96	78,143.23

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

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Opening stocks:		
Work-in-process	3,669.33	4,597.69
Finished goods	4,489.04	3,609.12
Scrap	22.72	61.85
Total - A	8,181.09	8,268.66
B. Closing stocks:		
Work-in-process	5,174.16	3,669.33
Finished goods	2,334.28	4,489.04
Scrap	122.24	22.72
Total - B	7,630.68	8,181.09
C. (Increase)/Decrease in stocks (A-B)	550.41	87.57

Note 21 : EMPLOYEE BENEFITS EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employees remuneration and benefits	9,439.41	7,762.23
Contribution to PF/ESI*	370.76	358.92
Gratuity expenses*	167.84	59.79
Remuneration to Directors	192.72	192.72
Staff welfare expenses	645.75	471.98
TOTAL	10,816.48	8,845.64

*Refer note no.25.4

Note 22 : FINANCE COSTS

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on Long term debt*	1,341.56	1,315.98
Interest on short term debt	2,004.12	1,375.51
Interest others	687.59	463.90
Other Finance cost	921.43	1,094.95
Forex Loss/(Gain) (net)	44.60	215.07
TOTAL	4,999.30	4,465.41

*Interest capitalized during the F.Y 2023-24 is ₹ 418.49 lakhs (Previous year ₹ 85.80 lakhs)

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

Note 23 : OTHER EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of Stores, Spares, Tools & Dies	2,994.90	1,763.30
Power & fuel	1,402.45	1,056.03
Repairs & Maintenance :		
Plant	358.93	203.47
Building	54.43	17.89
Vehicles	39.98	16.08
Maintenance charges	175.22	121.64
Other Assets	112.88	92.09
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
Other selling & Distribution expenses	733.31	574.40
Packing Cost	1,555.75	1,269.07
Carriage outwards	659.99	538.36
Travelling & Conveyance	431.94	237.59
Insurance	421.72	263.93
Rent	55.77	20.17
Rates & Taxes (Excluding Taxes on Income)	96.39	107.76
Director's Sitting Fees	28.75	23.75
Forex loss on Export Receivables and Imports Payables	111.66	412.04
Remuneration to auditors :	-	-
Audit Fee	15.25	15.25
Tax Audit Fee	5.25	5.25
Certification Fee /Taxation matter	16.05	15.00
Out of Pocket Expenses	1.30	0.75
Communication Expenses	49.95	47.54
Professional consultancy	782.75	533.70
CSR Expenses	131.00	21.61
Miscellaneous Expenses	720.18	402.59
TOTAL	10,980.80	7,802.25

NOTE 24 : TAX EXPENSES

₹ in lakhs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	3,523.79	2,130.09
Tax relating to earlier years	(6.48)	(1.31)
Deferred (credit)/expenses	(485.56)	(61.22)
Deferred (credit)/expenses on other comprehensive income	139.79	39.82
TOTAL	3,171.54	2,107.38

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS

25.1. Earnings per share (EPS) from continuing operations

Particulars	₹ in lakhs	
	For the Year 2023 – 24	For the Year 2022 – 23
Earnings		
Profit for the period (₹ in lakhs)	9019.13	5883.49
Shares		
Number of shares at the beginning of the period	32050067	32050067
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	32050067	32050067
Weighted average number of equity shares outstanding during the period	32050067	32050067
Earnings per share of par value ₹ 5/- Basic (₹)	28.14	18.36
Earnings per share of par value ₹ 5/- Diluted (₹)	28.14	18.36

25.2 Contingent Liabilities & Commitment

Particulars	₹ in lakhs	
	As at 31.03.2024	As at 31.03.2023
(A) Contingent Liabilities		
a. Claims against the company not acknowledged as debts:		
(i) Service Tax Liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to December, 2011.	68.55*	68.55*
(ii) GST liability for which appeals preferred by the Company is pending with Superintendent of Central tax – Range III, Div-IV, Pune-1 for the FY 2017-18	3.79*	3.79*
(iii) GST liability for which appeals preferred by the Company is pending with Deputy Commissioner State Tax, Pune for the FY 2018-19	0.80*	0.80*
(iv) GST liability for which appeals to be filed with the Commissioner of appeals Hyderabad -1 for the FY 2017-18	10.04*	-
(v) GST liability for which appeals preferred by the Company is pending with the commissioner of appeals Hyderabad -1 for the FY 2016-2017 to 2021-2022.	6.84*	-
(vi) Income Tax Liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18	923.08*	923.08*
(vii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2018-19	5.14*	5.14*
(viii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2020-21	38.24*	38.24*
b. Income Recognized against the scrip generation (under RodTEP scheme) and pending for generation of EBRC	154.70	17.01
c. Duty Payable incase nonperformance of Export obligation in futures periods against EPCG License	235.60	466.74
d. Duty Payable incase nonperformance Export obligation against advance Licenses	-	708.52
(B) Commitments		
(i) Bank guarantees	1166.22	1236.45
(ii) Estimated amount of liability on account of Capital Commitments	6857.85	4546.57

* No provision is considered since the Company expects favorable decision and the above liability is excluding Interest and Penalty. The company has deposited 193.30 lakhs towards Income Tax liabilities which are classified under "Income tax and other taxes" under Current Assets.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

25.3. Capital management.

The Group Capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Group determines the amount of capital required based on an annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Group monitors the capital structure based on net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings excluding lease obligations less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarizes the capital, net debt, and net debt to equity ratio of the Company.

₹ in lakhs

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Equity Share Capital	1602.92	1602.92
Other Equity	40019.48	31800.59
Total equity (A)	41622.40	33403.51
Non-Current borrowings	26294.34	12187.91
Current borrowings	27374.29	16802.92
Gross debt (B)	53668.63	28990.83
Total capital (A+B)	95291.03	62394.34
Gross debt as above	53668.63	28990.83
Less: Current investments	1.23	1.11
Less: Cash and cash equivalents	7593.41	3970.14
Less: Other balances with financial institutions	3669.00	3344.93
Net debt (C)	42404.99	21674.66
Net Debt to Equity	1.02	0.65

25.4. Employee Benefit Plans

AS per Indian Accounting Standard 19 – “Employee Benefits”, the disclosures as defined are given below :

A) Defined Benefit Plan

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

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Discount Rate	7.10 %	7.39 %	7.10 %	7.39 %
Rate of increase in Compensation levels	8% p.a	2% p.a.	8% p.a	2% p.a.
Rate of Return on Plan Assets	7.10 %	7.39 %	0 %	0 %
Expected Average remaining working lives of employees (years)	24 yrs	24 yrs	24 yrs	24 yrs

₹ in Lakhs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Present Value of Obligation as at the beginning of the year	509.90	482.35	161.30	149.50
Interest Cost	36.24	31.60	10.32	8.77
Current Service Cost	155.08	49.26	107.73	37.29
Benefits paid	(39.12)	(81.36)	(43.29)	(53.96)
Actuarial (gain)/ loss on obligations	558.76	28.05	196.66	19.70
Present Value of Obligation as at the end of the year	1220.86	509.90	432.72	161.30

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

₹ in Lakhs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	2022-23	2023-24	2022-23
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	1220.86	509.90	432.72	161.30
Fair Value of Plan Assets as at the end of the year	262.35	280.37	-	-
Funded Status	(958.51)	(229.53)	(432.72)	(161.30)
Net Asset / (Liability) Recognized in Balance Sheet	(958.51)	(229.53)	(432.72)	(161.30)
Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost	155.08	49.26	107.73	37.29
Past Service Cost	-	-	-	-
Interest Cost	36.24	31.60	10.32	8.77
Expected Return on Plan Assets	(19.27)	(21.07)	-	-
Net actuarial (gain)/ loss recognized in the year	561.14	31.74	196.66	19.70
Expenses Recognized in the Statement of Profit & Loss	733.18	91.53	314.71	65.76
Acquisition Adjustments	4.20			
Fair Value of the Planned Assets at the beginning of the year	280.37	244.35	-	-
Employer's contribution	-	100.00	-	-
Interest on Planned Assets	16.89	17.38	-	-
Actual return on plan assets less interest on plan assets	-	-	-	-
Benefits paid	(39.11)	(81.36)	-	-
Asset acquired/(settled)	-	-	-	-
Present Value of Planned Assets at the end of the year	262.35	280.37	-	-

Maturity profile of defined benefit obligation (on an undiscounted basis) – Gratuity

₹ in lakhs

Particulars	2023-24	2022-23
With next 12 months	27.64	9.69
Between 2 to 5 years	282.68	182.39
Between 6 to 10 years	386.21	209.20
More than 10 years	3862.18	954.50

Rate of return for the plan asset

Particulars	2023-24	2022-23
Guaranteed Rate of Return	6.43%	6.85%
Discounted Rate for remaining term to Maturity of Investment	7.10	7.39
Expected Rate of Return on Investment	7.10	7.39

Sensitivity Analysis – Gratuity Plan

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

₹ in Lakhs

Particulars	Gratuity Plan			
	As at 31.03.2024		As at 31.03.2023	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	1374.39	1092.67	555.89	470.24
Change in Rate of Salary Growth (Delta effect of +/-1%)	1078.50	1388.62	460.93	567.37
Change in Rate of Attrition (Delta effect of +/-50%)	1210.90	1231.16	490.36	528.04
Change in Mortality Rate (Delta effect of +/-10%)	1218.80	1222.94	505.07	514.67

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

B) Defined Contribution Plan

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

₹ in lakhs

Description	2023-24	2022-23
Employer Contribution to ESI	32.44	36.03
Employer Contribution to PF	307.07	294.94
Employer Contribution to pension scheme	30.90	27.55
Labor welfare fund	0.35	0.40
Total	370.76	358.92

25.5. Details of consumption of Raw Material

₹ in lakhs

Description	2023-24	2022-23
Imported	2953.70	5748.52
Indigenous	77087.26	72394.71
TOTAL	80040.96	78143.23

25.6. Stock and Turnover of Manufactured and Traded goods

₹ in Lakhs

Description	For the Year 2023-24			For the Year 2022-23		
	Turnover	Closing	Opening	Turnover	Closing	Opening
		Inventory (FG & Scrap)	Inventory (FG & Scrap)		Inventory (FG & Scrap)	Inventory (FG & Scrap)
Sale of Products	118220.38	2456.52	4511.76	108786.77	4511.76	3670.97
Sale of Services	954.20	-	-	689.43	-	-
TOTAL	119174.58	2456.52	4511.76	109476.20	4511.76	3670.97

25.7. Stock of Work in process

₹ in lakhs

Description	As at 31.03.2024	As at 31.03.2023
Work/Material in process	5174.16	3669.33
TOTAL	5174.16	3669.33

25.8. CIF Value of Imports

₹ in lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Capital goods	4598.62	5155.60
Raw Materials	2237.98	3313.18
Stores and Spares	344.88	160.93
TOTAL	7181.48	8629.71

25.9. Earnings in Foreign Currency

₹ in lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
FOB value of Exports	44347.70	37166.63

25.10. Expenditure in Foreign Currency

₹ in lakhs

Particulars	For the Year 2023-24	For the Year 2022-23
Travelling and others	489.00	402.11
Total	489.00	402.11

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

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

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

- (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

25.12. Segment Reporting

Segments are identified in line with Indian Accounting Standards (Ind AS) 108 "Operating Segments", taking into consideration the internal organization and management structure.

Operating Segments are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses its performance and for which discrete information is available.

The operating segment of the Group is identified to be manufacturing of "Engineering Products of Iron and Steel" and the CODM reviews business performance at an overall Group level as one segment. Hence no separate disclosure is provided.

Information by Geographies:

In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) Revenue from External Customers:

		₹ in lakhs	
Sl. No	Segment Revenue	For the Year 2023-24	For the Year 2022-23
a)	India	81533.46	74749.16
b)	Outside India	43447.07	37051.04
	TOTAL	124980.53	111800.20

b) Assets:

		₹ in lakhs	
		Carrying amount of Assets	
Segment Assets		As at 31.03.2024	As at 31.03.2023
India		117459.00	87332.95
Outside India		15539.58	10462.65
	TOTAL	132998.58	97795.60

c) Revenue from Major Customers:

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

Revenue from two customers of the Company, having more than 10% of the total revenue aggregating to ₹ 63128.18 lakhs (previous year three customers ₹ 49934.28 lakhs).

25.13. Financial Instruments

(A) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

₹ in lakhs

Fair value hierarchy				
Particulars	Total	Quoted prices in	Significant	Significant
		active markets	observable inputs	unobservable inputs
		Level 1	Level 2	Level 3
31-March-24				
Financial Asset				
Investment in equity instruments	1521.46	1.19	1520.23	0.04
Security Deposits	49.47	-	-	49.47
Financial Liability				
Borrowings	53668.63	-	-	53668.63
Total	55239.56	1.19	1520.23	53718.14
31-March-23				
Financial Asset				
Investment in equity instruments	1515.63	1.07	1514.52	0.04
Security Deposits	45.35	-	-	45.35
Financial Liability				
Borrowings	28990.83	-	-	28990.83
Total	30551.81	1.07	1514.52	29036.22

(B) Financial Risk Management

The Company has exposure to the following risk:

Credit Risk:

Credit risk is the risk that counterparty will not meet its obligations leading to a financial loss. The Company is exposed to credit risk arising from its operating (primarily trade receivables) and investing activities including deposits placed with banks, financial institutions and other corporate deposits. The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of financial assets. Financial assets are classified into performing, under-performing and non-performing. All financial assets are initially considered performing and evaluated periodically for expected credit loss. A default on a financial asset is when there is a significant increase in the credit risk which is evaluated based on the business environment. The assets are written off when the Company is certain about the non-recovery.

Liquidity Risk:

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations. The Company's approach is to ensure that it has sufficient liquidity or borrowing headroom to meet its obligations at all point in time. The Company has sufficient short term fund based lines, which provides healthy liquidity and these carry highest credit quality rating from reputed credit rating agency.

Market Risk:

Market risk is the risk that the fair value of the future cash flows will fluctuate because of changes in the market prices.

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

25.14. Related party disclosures

List of Related parties

I Wholly Owned Subsidiary

- (i) Pitti Rail and Engineering Components Limited

II Entity having significant influence over the entity

- (i) Pitti Electrical Equipment Private Limited

III Key Management Personnel

Executive Promoter Directors

- (i) Shri Sharad B Pitti, Founder & Chairman
(ii) Shri Akshay S Pitti, Managing Director & Chief Executive Officer

Independent & Non-Executive Directors

- (i) Ms. Gayathri Ramachandran, Independent Director
(ii) Shri G. Vijaya Kumar, Independent Director
(iii) Shri M. Gopalakrishna, Independent Director
(iv) Shri N.R Ganti, Independent Director
(v) Shri S. Thiagarajan, Independent Director
(vi) Shri Y B Sahgal, Independent Director (From 09-11-2023)
(vii) Shri DV Aditya, Independent Director (10-08-2022 to 21-10-2022)

Others

- (i) Shri N.K Khandelwal, President Corporate Resource & CFO (till 13.04.2022)
(ii) Shri M Pavan Kumar, Chief Financial Officer (From 12.11.2022)
(iii) Ms. Mary Monica Braganza, Company Secretary & Chief Compliance Officer

IV Other Related Parties with whom transactions have taken place

The Enterprises over which KMP or relatives of KMP having significant influence.

- (i) Pitti Casting Private Limited
(ii) Pitti Trade & Investment Private Limited

The Relative of Executive Promoter Directors

- (i) Smt Madhuri S Pitti
(ii) Smt Radhika A Pitti
(iii) Sharad B Pitti (HUF)

A. Transactions/balances outstanding with related parties:

For the Financial Year 2023-24

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	302.56	15.25	317.81
2	Rent / Lease Expenses	-	110.88	204.30	315.18
3	Rent / Lease Income	-	-	1.74	1.74
4	Purchases of goods	31.89	-	13253.17	13285.06
5	Purchases of Property, plant & equipment			36.51	36.51
6	Job work charge			3.45	3.45

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
7	Sales of goods	-	-	539.52	539.52
8	Job work income			129.39	129.39
11	Interest paid	212.04	-	-	212.04
12	Amount payable at the year end	2547.59	34.80	1155.81	3738.20
13	Amount receivable at the year end	-	20.21	40.02	60.23
14	Investments at the year end	-	-	1520.23	1520.23

Note: As per Regulation 2(1)(ZC) (ii) SEBI LODR Regulations Dividend paid by Listed entity to related party as part of Corporate action is not a related party transaction, Accordingly dividend paid to related party is not included in the above statement.

For the previous Financial Year 2022-23

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	247.70	15.21	262.91
2	Rent / Lease Expenses	-	104.16	194.57	298.73
3	Rent / Lease Income	-	-	1.65	1.65
4	Purchases of goods & services	836.18	-	7830.78	8666.96
5	Sales of goods & services	-	-	1330.96	1330.96
6	Unsecured Loan - received	-	2700.00	-	2700.00
7	Unsecured Loan – repaid	-	5210.00	-	5210.00
8	Inter Corporate Deposits – received	5575.00	-	-	5575.00
9	Inter Corporate Deposits – repaid	3065.00	-	-	3065.00
10	Interest paid	145.20	144.14	-	289.34
11	Amount payable at the year end	3194.98	18.46	520.67	3734.11
12	Amount receivable at the year end	-	20.21	619.89	640.10
13	Investments at the year end	-	-	1514.52	1514.52

B. Disclosure pursuant to regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Transaction with Promoter / Promoter Group holding more than 10% of equity share capital of the Company

₹ in lakhs

Sl. No	Particulars	For the Year 2023-24	For the Year 2022-23
1	Shri Sharad B Pitti		
-	Remuneration	98.78	98.78
-	Lease Rental	110.88	104.16
-	Dividend	-	102.22
-	Amount Payable at the year end	5.34	5.57
-	Amount Receivable at the year end (Rent deposit)	20.21	20.21
2	Shri Akshay S Pitti		
-	Remuneration	98.78	98.78
-	Dividend	-	99.37
-	Interest on Unsecured Loans	-	144.14
-	Unsecured Loans Received	-	2,700.00
-	Unsecured Loans Repaid	-	5,210.00
-	Amount Payable at the year end	4.63	5.22

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

			₹ in lakhs
Sl. No	Particulars	For the Year 2023-24	For the Year 2022-23
3	Pitti Electrical Equipment Pvt Ltd		
-	Interest on Inter Corporate Deposits	212.04	145.20
-	Purchase of Goods	31.89	836.18
-	Dividend	-	203.21
-	Intercompany Deposits Received	-	5575.00
-	Intercompany Deposits Repaid	-	3065.00
-	Amount Payable at the year end	2547.59	3194.98

Note: As per Regulation 2(1)(ZC) (ii) SEBI LODR Regulations Dividend paid by Listed entity to related party as part of Corporate action is not a related party transaction, Accordingly dividend paid to related party is not included in the above statement.

25.15. Deferred Tax

₹ in lakhs					
Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2023	Statement of Profit & Loss	Other Comprehensive income	Deferred Tax (Liability)/ Asset as at 31.03.2024
Deferred tax assets:					
1	Provision for Lease liability As per IND AS 116	767.63	407.84	-	1175.47
2	Employee benefits	226.87	126.64	-	353.51
3	Provision for Dismantling Cost of Property, plant & equipment	132.48	10.04	-	142.52
4	Remeasurement of defined benefit plans	-	-	141.23	141.23
5	Others	12.67	86.05	(1.44)	97.28
Total-(a)		1139.65	630.57	139.79	1910.01
Deferred tax liabilities:					
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(1924.09)	(276.02)	-	(2200.11)
2.	Remeasurement of defined benefit plans	(46.72)	-	-	(46.72)
3	Others	(19.92)	(8.78)	-	(28.70)
Total (b)		1990.73	(284.80)	-	(2275.53)
Deferred Tax Net (a-b)		(851.08)	345.77	139.79	(365.52)

25.16. The Group has provided for cess as specified in section 441 A of the Companies Act, 1956 and in the absence of any notification by the Central Govt. the Group could not deposit the same with the appropriate authority.

25.17. The assessment for impairment of assets has taken place at the end of reporting period as per guidelines laid down in Ind AS 36, 'Impairment of assets'. For the assets having recoverable amount less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the resulting impairment loss is recognised in profit or loss.

25.18. Micro, Small and Medium Enterprises Development Act, 2006

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) is given below:

		₹ in lakhs	
Sl. No	Description	Year 2023-24	Year 2022-23
1	Principal amount outstanding and not due to suppliers under MSMED	254.28	136.05
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	-	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	-	-
4	Interest paid to suppliers covered under MSMED	-	-
5	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

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

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

₹ in lakhs

Particulars	As at 31st March 2024		Year Ended 31st March 2024					
	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 Consoli-dated net assets	Amt	As a % of Consoli-dated profit or Loss	Amt	As a % of other compre-hensive income	Amt	As a % of total compre-hensive income	Amt
Parent								
Pitti Engineering Limited	100.01%	41628.18	100.01%	9019.75	100%	(415.64)	100.01%	8604.11
Subsidiary								
Pitti Rail & Engineering Components Limited	0.01%	4.22	(0.01) %	(0.62)	-	-	(0.01) %	(0.62)
Total Elimination	(0.02) %	(10.00)	-	-	-	-	-	-
Total	100%	41622.40	100%	9019.13	100%	(415.64)	100%	8603.49

₹ 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 Consoli-dated net assets	Amt	As a % of Consoli-dated profit or Loss	Amt	As a % of other compre-hensive income	Amt	As a % of total compre-hensive income	Amt
Parent								
Pitti Engineering Limited	100.02%	33408.67	100%	5883.28	100%	(118.40)	100%	5764.88
Subsidiary								
Pitti Rail & Engineering Components Limited	0.00%	(0.16)	0%	0.21	-	-	100%	0.21
Total Elimination	(0.02)%	(5.00)	-	-	-	-	-	-
Total	100%	33403.51	100%	5883.49	100%	(118.40)	100%	5765.09

25.20. Right of Use of Assets

For the Financial Year 2023-24

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2023	156.17	2056.80	5175.03	40.52	-	7428.52
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	2401.51	46.78	-	2448.29
Deletions/Adjustments	-	-	545.13	5.98	-	551.11
Depreciation	17.88	156.29	804.16	17.71	-	996.04
Balance as on 31st March 2024	138.29	1900.51	6227.25	63.61	-	8329.66

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

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

25.21. Letters have been written for confirmation of balances pertaining to debtors and creditors and reply from certain parties are awaited.

25.22. Financial and Derivative Instruments:

₹ in lakhs

Description	As at 31.03.2024	As at 31.03.2023
Forward Contracts	11460.08	9744.75

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

25.23. Statutory Auditor's Remuneration

₹ in lakhs

Sl. No	Description	Year 2023-24	Year 2022-23
1	Statutory Audit	15.25	15.25
2	Tax Audit	5.25	5.25
3	Certification fee / Taxation matter	16.05	15.00
4	Out of Pocket Expenses	1.30	0.75

25.24. The Previous year figures have been regrouped/rearranged to the extent necessary to Conform with the current period's classification. All the numbers have been rounded off to the nearest lakh.

25.25. Business Combinations

Scheme of Amalgamation

The Board of Directors at their meeting held on 15th June 2023 considered and approved the Scheme of Amalgamation among Pitti Castings Private Limited (PCPL) and Pitti Rail and Engineering Components Limited (PRECL) and Pitti Engineering Limited and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and the rules framed thereunder (Scheme).

The Scheme, inter-alia, provides for amalgamation of PCPL and PRECL with Pitti Engineering Limited.

The amalgamation of PCPL is proposed to be undertaken with the objective of achieving vertical integration, broaden the Company's footprint across the supply chain and enhance the Company's margins and profitability. The amalgamation of PRECL is proposed to be undertaken with the objective of simplifying the corporate structure and elimination of duplication in administrative cost and multiple record keeping thus resulting in cost savings.

The Board of the Company has recommended the following share exchange ratio for the amalgamation of PCPL with the Company:

01 (One) equity share of PEL of INR 05/- each, fully paid-up for every 55 (Fifty-Five) equity shares of PCPL of INR 10/- each, fully paid-up ("Share Exchange Ratio")

Since all the shares of PRECL are held by the Company, no consideration shall be payable pursuant to the amalgamation of PRECL.

The Company had filed the Scheme with Stock Exchanges on 26th June 2023 and received their no objection on 26th October 2023. Further, the Company has received approval from the shareholders and creditors pursuant to an National Company Law

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

Tribunal (NCLT) convened meeting on 22nd March 2024. A joint petition has been filed with the NCLT, Hyderabad bench on 29th March 2024 and the same is reserved for hearing on 07th June 2024. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial results for the quarter and year ended 31st March 2024.

Acquisition:

Consequent to the Share Purchase Agreement dated 11th March 2024, entered into between the Company and Shri Chaitra Sundaresh, Smt Ronak Bagadia (Sellers) and Bagadia Chaitra Industries Private Limited (BCIPL), the Company has completed the acquisition of 100% of the equity share capital of BCIPL on 6th May 2024. With this acquisition, BCIPL is now a wholly owned subsidiary of the Company w.e.f. 6th May 2024.

25.26. Key Ratios

₹ in lakhs

S. no	Particulars	Numerator	Denominator	31.03.2024	31.03.2023	Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	1.25	1.20	4.17%	
2.	Debt- Equity Ratio (in times)	Debt *	Equity	1.29	0.87	48.28%	Note 1(a)
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	2.01	2.90	(30.69)	Note 1(b)
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	24.04%	19.04%	5.00%	
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	4.72	4.30	9.77%	
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	6.13	5.70	7.54%	
7.	Trade Payables Turnover ratio (in times)	Net Purchase	Average payables	3.85	3.40	13.24%	
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	8.62	12.10	(28.76)%	Note 1(c)
9.	Net Profit Ratio (in %)	Net profit	Net sales	7.51%	5.35%	2.16%	
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	16.21%	17.01%	(0.80)%	
11.	Return on Investment (in%)	Earnings from invested funds	Average invested funds	Nil	Nil		

*Debt excludes lease liabilities.

Note1:

- Increase in Debt Equity ratio due to Increase in Term loans to the extent Property, Plant & Equipment got increased and increase in utilization of working capital limits.
- Decrease in debt service coverage ratio due to increase in Term loans.
- Decrease in Net Capital Turnover ratio due to increase in utilization of working limits.

Definitions:

- Current Assets = Total Current Assets as per Balance Sheet
- Current Liabilities = Total Current Liabilities as per Balance Sheet
- Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet
- Equity/Shareholder Equity = Total Equity as per Balance Sheet
- EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings
- Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)
- Average Inventory = (Opening Inventory + Closing Inventory)/2
- Average Receivables = (Opening Receivables + Closing Receivables)/2
- Average Payables = (Opening Payables + Closing Payables)/2

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

- (j) Working Capital = Current Assets – Current Liabilities
- (k) Capital Employed = Total Assets- Current Liabilities
- (l) Earnings from Investor Funds = Earnings from Investments
- (m) Average Investment Funds = (Opening Investment s+ Closing Investments)/2

25.27. Other Statutory Information

- (i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.
- (iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (iv) The Group does not have any transactions with companies struck off.
- (v) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (vi) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017.
- (vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.
- (viii) The Group has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.
- (ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).
- (x) **Corporate Social Responsibility (CSR) :**

		₹ in lakhs	
Sl. no.	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	130.63	90.39
b.	Less : Excess incurred Previous Financial year	(0.70)	(69.48)
c.	Net amount should be incurred for the during the period	129.93	20.91
d.	Amount of expenditure incurred	131.00	21.61
e.	(Excess)/Shortfall at the end of the year	(1.07)	(0.70)
f.	Total of previous years shortfall	-	-
g.	Reason for shortfall	-	-

Notes to Consolidated Financial Statements

for the year ended 31st March 2024

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

₹ in lakhs

Sl. no.	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
h.	Nature of CSR Activities	1) Promotion of Health Care 2) Protection of National Heritage 3) Promotion of National Recognized Sports 4) Animal Welfare 5) Promotion of Education &	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance 3) Education
i.	Details of related party transactions, e.g., contribution to a trust controlled by the company	Nil	Nil
j.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

(xi) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited

CIN : L29253TG1983PLC004141

For **Talati & Talati LLP**

Chartered Accountants

Firm's Registration Number:

110758W/W100377

Sharad B Pitti

Founder & Chairman

DIN:00078716

Akshay S Pitti

Managing Director &

Chief Executive Officer

DIN:00078760

Amit Shah

Partner

M.No:122131

G Vijaya Kumar

Director

DIN:00780356

M Pavan Kumar

Chief Financial Officer

M. No: 216936

Mary Monica Braganza

Company Secretary &

Chief Compliance Officer

M. No:F5532

Place: Hyderabad

Date : 15th May 2024

Place: Hyderabad

Date : 15th May 2024

Form No. AOC-1

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient feature of the financial statement of subsidiaries / associate companies/ joint ventures

PART-A: Subsidiaries

₹ in lakhs

Sl. no.	Particulars	Details
1.	Name of the subsidiary	Pitti Rail and Engineering Components Limited (Wholly Owned Subsidiary)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
3.	Date of acquiring subsidiary	5th October 2020
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
5.	Share capital	10.00
6.	Reserves & surplus	(5.78)
7.	Total Assets	4.60
8.	Total Liabilities	0.38
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	(0.62)
12.	Provision for taxation	Nil
13.	Profit after taxation	(0.62)
14.	Proposed Dividend	Nil
15.	% of shareholding	100%

Note: The Wholly Owned Subsidiary is yet to commence its commercial operations.

PART – B: Associate Companies / Joint Ventures: Not Applicable

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited
CIN : L29253TG1983PLC004141

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place: Hyderabad
Date : 15th May 2024

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