

# Report on Corporate Governance

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

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

## Board of Directors

### Composition of Board

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

### Meetings of the Board

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

Company. In case of any exigency, emergency resolutions are passed by circulation. During the year under review, six meetings of the Directors were held on 29th May 2023, 15th June 2023, 14th August 2023, 9th November 2023, 9th February 2024 and 11th March 2024. The gap between the meetings did not exceed 120 days.

The necessary quorum was present for all the meetings.

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

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

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

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

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

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

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

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

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

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

### Board's skills / expertise / competencies

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

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

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

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

## Meeting of the Independent Directors

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

## Confirmation from the Board

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

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

## Familiarisation programme

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

## Senior Management

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

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

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

## Governance policies

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

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

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

## Equity shares and convertible instruments held by Directors

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

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

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

## Committees of the Board

### Audit Committee

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

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

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

The gap between the meetings did not exceed 120 days.

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

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

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

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

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

14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. Review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.
- The Audit Committee shall mandatorily review the following information
- Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
  - Statement of deviations:
    - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(7) of the SEBI Listing Regulations.
    - Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

#### Nomination and Remuneration Committee

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

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

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

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

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

1A For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate

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

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

2. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. Administer Employee Stock Option Schemes of the Company.
8. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

## Performance evaluation criteria for Independent Directors

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

## Remuneration Policy

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

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

## Remuneration of Directors

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

₹ in lakhs

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

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

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

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

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

## Stakeholders Relationship Committee

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

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



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

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

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

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

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

5. Approve issue of the Company's duplicate share / debenture certificates.
6. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

#### Name, designation and address of Compliance Officer:

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

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

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

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

### Corporate Social Responsibility Committee

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

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

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

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

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

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

## Risk Management Committee

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

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

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

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

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

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

- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

## Committee of Directors

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

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

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

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

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

## General Body Meetings

### Annual General Meetings

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



## Meetings convened by the National Company Law Tribunal

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

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

## Postal ballot during the last three years

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

Year	No of postal ballots conducted	Details of resolution and voting pattern
2021-22	One	<b>Business transacted:</b>

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

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

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

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

3. Special resolution to approve the related party transactions

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

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

Year	No of postal ballots conducted	Details of resolution and voting pattern															
2022-23	One	<b>Business transacted:</b> <ol style="list-style-type: none"> <li>Special resolution to approve the re-appointment of Shri Sharad B Pitti as Chairman &amp; Managing Director</li> </ol> <table> <tr> <th>Particulars</th><th>No of shares</th><th>%</th></tr> <tr> <td>Votes cast in favour</td><td>1,97,26,763</td><td>99.94</td></tr> <tr> <td>Votes cast against</td><td>11,643</td><td>0.06</td></tr> <tr> <td>Total valid votes</td><td>1,97,38,406</td><td>100.00</td></tr> <tr> <td>Invalid votes</td><td>-</td><td>-</td></tr> </table> <p>The shareholders approved the said resolution with requisite majority on 7th July 2022 and the results were declared on 8th July 2022. Shri Ajay Kishen, Practicing Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.</p>	Particulars	No of shares	%	Votes cast in favour	1,97,26,763	99.94	Votes cast against	11,643	0.06	Total valid votes	1,97,38,406	100.00	Invalid votes	-	-
Particulars	No of shares	%															
Votes cast in favour	1,97,26,763	99.94															
Votes cast against	11,643	0.06															
Total valid votes	1,97,38,406	100.00															
Invalid votes	-	-															
2023-24	One	<b>Business transacted:</b> <ol style="list-style-type: none"> <li>Special resolution to approve the appointment of Shri Yogender Bahadur Sahgal as an Independent Director</li> </ol> <table> <tr> <th>Particulars</th><th>No of shares</th><th>%</th></tr> <tr> <td>Votes cast in favour</td><td>1,99,77,318</td><td>96.20</td></tr> <tr> <td>Votes cast against</td><td>7,88,826</td><td>3.80</td></tr> <tr> <td>Total valid votes</td><td>2,07,66,144</td><td>100.00</td></tr> <tr> <td>Invalid votes</td><td>-</td><td>-</td></tr> </table> <p>The shareholders approved the said resolution with requisite majority on 27th December 2023 and the results were declared on 28th December 2023. Shri Ajay Kishen, Practicing Company Secretary was appointed as scrutinizer for conducting voting through remote e-voting in a fair and transparent manner.</p>	Particulars	No of shares	%	Votes cast in favour	1,99,77,318	96.20	Votes cast against	7,88,826	3.80	Total valid votes	2,07,66,144	100.00	Invalid votes	-	-
Particulars	No of shares	%															
Votes cast in favour	1,99,77,318	96.20															
Votes cast against	7,88,826	3.80															
Total valid votes	2,07,66,144	100.00															
Invalid votes	-	-															

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

### Procedure for postal ballot

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

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

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

### Disclosures

#### a) Related party transactions

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

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

During the year, the Company has entered into transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of related party

transactions are provided in Note 25.14 of the Notes to Financial Statements.

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

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

**b) Details of Non-compliances**

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

**c) Vigil mechanism / Whistle blower policy**

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

**d) Subsidiary**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**l) Adoption of Mandatory and Non-Mandatory Requirements**

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

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

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

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

n) **Disclosure of accounting treatment**

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

o) **Risk management**

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

p) **Disclosure of agreements binding listed entities**

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

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

**Website**

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

**General Shareholder Information**

**Company Registration details**

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

Annual General Meeting for the Financial Year 2023-24

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

**Means of Communication**

**Quarterly results and filings**

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

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

**Presentations to institutional investors / analysts**

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

**Financial Calendar**

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

## Dividend

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

## Listing information

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

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

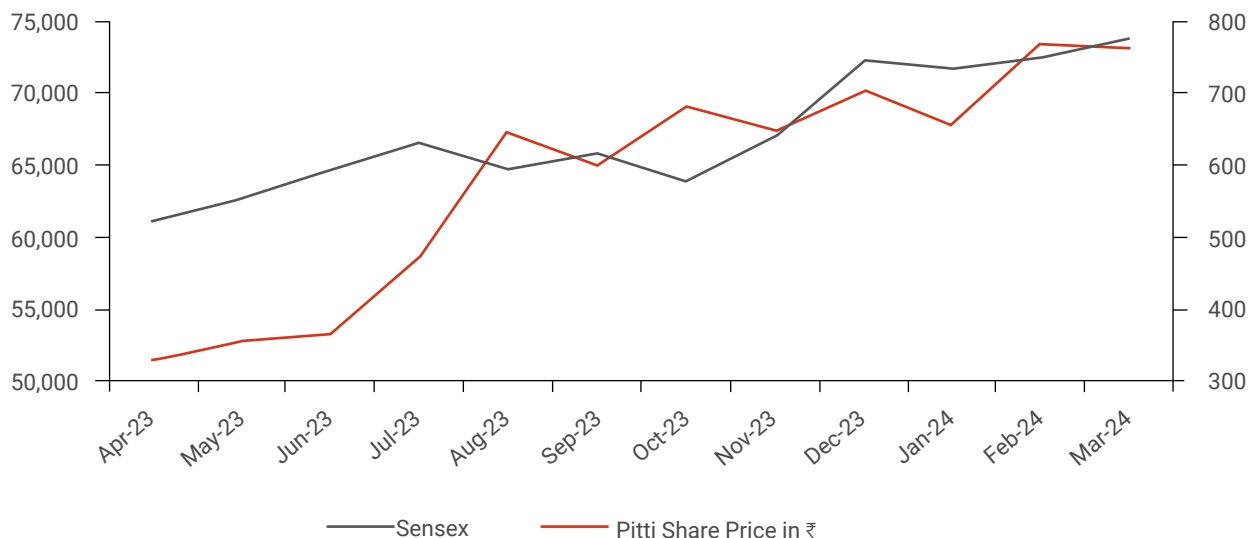
The Company has paid the requisite annual listing fees to both the Stock Exchanges for the financial year 2024-25. The securities of the Company have never been suspended from trading.

## Stock market price data

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

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

Pitti share price and SENSEX movement



Pitti share price and NIFTY movement



### Registrar and share transfer agents

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

### Share transfer system

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

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

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

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

### Distribution of shareholding as on 31st March 2024

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



## Distribution of shareholding as on 31st March 2024

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

## Dematerialization of shares and liquidity

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

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

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

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

## Updation of PAN, KYC details and Nomination

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

service request only after registering the required details. Any payments including dividend in respect of such folios shall only be made electronically with effect from 1st April 2024 upon registering the required details. If a shareholder holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she/they may submit the same in the prescribed form.

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

## Dispute Resolution Mechanism at Stock Exchanges

In terms of SEBI Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31st July 2023, as further amended by the Corrigendum cum Amendment circular No. SEBI/HO/OIAE/OIAE\_IAD1/P/CIR/2023/135 dated 4th August 2023 and the Master Circular No. SEBI/HO/OIAE/OIAE\_IAD3/P/CIR/2023/195, SEBI has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. In terms of the said circulars, the investors, after duly exhausting their option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>).

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

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

## Plant locations

Gut No.194, Limbe Jalgaon Village, Gangapur Mandal, Aurangabad District-431133 Maharashtra, India	Survey No.1837 & 1838, Jingoniguda Road, Nandigaon Village & Mandal Ranga Reddy District – 509 223 Telangana, India	Survey No.1837, Jingoniguda Road, Nandigaon Village & Mandal Ranga Reddy District – 509 223 Telangana, India	Survey No.1603 & 1607, Nandigaon Village & Mandal, Ranga Reddy District – 509 223 Telangana, India
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**Address for correspondence**

For shares held in physical form	For shares held in demat form
XL Softech Systems Limited 3, Sagar Society, Road No.2 Banjara Hills, Hyderabad – 500 034 Ph: +91 40 23545913 / 14 / 15 Email: <a href="mailto:xlfield@gmail.com">xlfield@gmail.com</a>	To the Depository Participant

For query on Annual Report	For investor grievances
Ms. Mary Monica Braganza Company Secretary & Chief Compliance officer Pitti Engineering Limited 6-3-648/401, IV Floor Padmaja Landmark Somajiguda Hyderabad – 500 082 Ph: 040-23312774 Email: <a href="mailto:shares@pitti.in">shares@pitti.in</a>	Email: <a href="mailto:shares@pitti.in">shares@pitti.in</a>

**Credit Ratings**

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

**Unclaimed Dividend**

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

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

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

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

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

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

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

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

### Equity shares in the suspense account

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

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

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

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

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

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

### Compliance certificate of the Auditors

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

### Declaration

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31st March 2024.

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 15th May 2024

**Sharad B Pitti**  
Founder & Chairman  
DIN: 00078716

# Certificate of Non-Disqualification of Directors

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

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

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

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

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

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

**Ajay Kishen**

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

# Independent Auditors' Certificate on Corporate Governance

To

Members of **Pitti Engineering Limited**

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

## Management's Responsibilities:

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

## Auditor's Responsibilities:

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

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

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

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

## Opinion:

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

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

## Restriction on Use:

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

**For Talati & Talati LLP**

Chartered Accountants

(Firm Reg No: 110758W/W100377)

**Amit Shah**

Partner

Membership Number: 122131

UDIN: 24122131BKHHBY7005

Place of Signature: Hyderabad

Date: 15th May 2024

## CEO / CFO Certification

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

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

- A. We have reviewed financial statements and the cash flow statement (Standalone and Consolidated) for the year ended 31st March 2024 and that to the best of our knowledge and belief, we state that:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions are entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

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

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

Place: Hyderabad  
Date : 15th May 2024

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

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



# Independent Auditor's Report

TO  
THE MEMBERS OF  
PITTI ENGINEERING LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended 31st March, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

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

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the IND AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as of 31st March 2024, taken on record by the Board of Directors, none of the directors is disqualified as of 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations as at 31-03-2024 on its financial position in its Standalone Financial Statements – Refer to Note 25.02 to the Standalone Financial Statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on 31st March 2024;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
    - (a) The management has represented that, to the best of its knowledge and belief as disclosed in Note No: 25.26 (vii) to the Standalone Financial Statement, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or

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

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

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

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

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

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

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

**Amit Shah**

Partner

Membership

Number: 122131

UDIN: 24122131BKHHBZ9091

Place of Signature: Hyderabad

Date: May 15, 2024

# Annexure A to the Independent Auditors' Report

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

- (i). (a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of property plant and equipment and right of use assets.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, investment property, right of use asset and capital work in-progress to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant, and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Note 2A of Standalone Financial Statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (and Right of Use Assets) or Intangible assets, or both during the year. Accordingly, reporting under Clause 3(i)(d) of the Order is not applicable to the company.
- (e) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988. Accordingly, reporting under Clause 3(i)(e) of the Order is not applicable to the Company.
- (ii). (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency, coverage and procedure of such verification by the management is appropriate and discrepancies of 10% or more in the aggregate for each class of inventory noticed were dealt with properly in the books of accounts.
- (b) The Company has been sanctioned working capital limits of over five crore rupees, in aggregate, from banks and financial institutions based on the security of current assets; the quarterly returns or statements have been filed by the Company as per the terms of sanction letter with such banks or financial institutions are in agreement with the books of accounts of the Company.
- (iii). In our opinion and according to the information and explanations given to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, reporting under Clause 3(iii)(a) to (f) of the Order is not applicable to the Company.
- (iv). In our opinion and according to the information and explanations given to us, the Company has not given any loans, guarantees and security in respect of which provisions of Sections 185 of the Act are applicable. Investments in respect of which provisions of Section 186 of the Act are applicable, have been complied with by the Company.
- (v). In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.
- (vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have not, however made a detailed examination of the same.
- (vii). (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

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

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



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

(xii). According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on Clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.

(xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the note no 25.14 of the notes to the Standalone Financial Statements as required by the applicable accounting standards.

(xiv). (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on Clause 3(xv) of the Order is not applicable to the Company.

(xvi). (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the requirement to report on Clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on Clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on Clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the group does not

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

(xvii). The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report on Clause 3(xvii) of the Order is not applicable to the Company.

(xviii). There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix). On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the plans of the Board of Directors and management, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx). The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub section (6) of section 135 of Companies Act. Accordingly, reporting under clause 3 (xx) of the Order is not applicable for the year.

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

**Amit Shah**  
Partner

Place of Signature: Hyderabad  
Date: May 15, 2024

Membership  
Number: 122131  
UDIN: 24122131BKHHBZ9091

## Annexure B to the Independent Auditors' Report

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

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Pitti Engineering Limited** ("the Company") as of 31st March 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation, and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on auditing issued by the Institute of Chartered Accountants of India prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over the financial reporting of the Company.

### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with the authorizations of management and directors of the Company; and;
- (3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting, and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**Amit Shah**

Partner

Membership

Number: 122131

UDIN: 24122131BKHHBZ9091

Place of Signature: Hyderabad

Date: May 15, 2024