Preliminary Placement Document
Not for Circulation
Private and Confidential
Serial Number: [●]

This Preliminary Placement Document relates to an issue made to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and no offer is being made through this Preliminary placement Document to the public or any other categories of investors other than the Eligible QIBs. This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to buy securities in any jurisdiction where such offer or sale is not permitted. The information in this Preliminary Placement Document is not complete and may be changed.

PITTI ENGINEERING LIMITED

Pitti Engineering Limited (our "**Company**" or the "**Issuer**") was incorporated as 'Pitti Laminations Private Limited' on September 17, 1983, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh. Our Company became a public limited company, and the name of our Company was changed to 'Pitti Laminations Limited' pursuant to a fresh certificate of incorporation consequent on change of name dated December 29, 1992, issued by the Registrar of Companies, Andhra Pradesh. Further, the name was changed to 'Pitti Engineering Limited' pursuant to which a fresh certificate of incorporation was issued upon change of name on May 8, 2018, issued by the Registrar of Companies, Telangana at Hyderabad ("**RoC**"). For further details, see "*Organisational Structure*" and "*General Information*" on pages 198 and 256.

Registered Office and Corporate Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India.
CIN: L29253TG1983PLC004141

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Contact person: Mary Monica Braganza, Company Secretary and Compliance Officer

Our Company is issuing up to [●] equity shares of face value of ₹ 5 each (the "**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating to an amount up to ₹ [●] lakhs (the "**Issue**"). For further details, please see "*Summary of the Issue*" on page 29.

THE ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS"), SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED ("COMPANIES ACT").

The Equity Shares of the Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**" together with "**BSE**", the "**Stock Exchanges**"). The closing prices of the Equity Shares on the BSE and NSE on July 5, 2024 were ₹ 1,172.05 and ₹ ₹ 1,172.30 per Equity Share, respectively. The Company shall make applications for obtaining the listing and trading approvals for the Equity Shares offered through this Preliminary Placement Document on the Stock Exchanges. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**") for listing of Equity Shares to be issued pursuant to the Issue have been received on July 8, 2024, each from BSE and NSE, respectively. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of the Company or the Equity Shares.

THE COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT TO ELIGIBLE QIBS IS BEING MADE IN RELIANCE UPON CHAPTER VI OF THE SEBI ICDR REGULATIONS AND THE COMPANIES ACT. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED TO ONLY SUCH ELIGIBLE QIBS WHOSE NAMES ARE RECORDED BY THE COMPANY, PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBS. YOU ARE NOT AUTHORISED TO AND MAY NOT (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT, IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENT IN EQUITY SHARES INVOLVES A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ "*RISK FACTORS*" ON PAGE 36, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND THE COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORIZED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) has been delivered to the Stock Exchanges and a copy of the Placement Document (which will include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges. The Company shall also make the requisite filings with the Registrar of Companies, Telangana at Hyderabad ("**RoC**"), each within the stipulated period as required under the Companies Act and PAS Rules. This Preliminary Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges or any other listing or regulatory authority and is intended only for use by Qualified Institutional Buyers as defined in the SEBI ICDR Regulations ("**QIBs**"). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Preliminary Placement Document is meant solely for Eligible QIBs on a private placement basis and is not an offer to the public or to any other class of investors.

Invitations, offers and sales of the Equity Shares to be issued pursuant to this Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 214. The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of the Company to any person, other than Eligible QIBs, and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares is unauthorised and prohibited. Each Eligible QIB, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The information on the Company's website and Subsidiaries or any website directly or indirectly linked to the Company's or Subsidiaries website or on the websites of the Book Running Lead Manager (as defined hereinafter) or of their respective affiliates does not constitute or form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**"). For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 230. See "*Transfer Restrictions*" on page 237 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

BOOK RUNNING LEAD MANAGER

MOTILAL OSWAL INVESTMENT ADVISORS LIMITED

This Preliminary Placement Document is dated July 8, 2024.

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document, and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, its Subsidiaries and the Equity Shares offered in the Issue that is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company and its Subsidiaries and the Equity Shares are, in every material respect, true, accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document are honestly held, have been reached after considering all relevant circumstances, are based on information presently available to our Company and are based on reasonable assumptions. There are no other facts in relation to our Company, its Subsidiaries, and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Manager has made reasonable enquiries but has not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its affiliates including any of their shareholders, associates, directors, officers, employees, counsel, representatives and/or agents make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Book Running Lead Manager nor any of its affiliates including any of their shareholders, directors, officers, employees, counsel, representatives or agents, as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information supplied in connection with the Issue. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied on the Book Running Lead Manager or any of its affiliates, including any of their shareholders, associates, directors, officers, employees, counsel, representatives or agents, in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares offered on the Issue. Prospective investors should not construe the contents of this Preliminary Placement Document legal, tax, accounting or investment advice.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company and the Book Running Lead Manager. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares offered in the Issue have not been approved, disapproved, or recommended by the securities authority or other regulatory authority of any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and* "*Transfer Restrictions*" on pages 1, 3, 230 and 237, respectively.

The distribution of this Preliminary Placement Document and the Issue may be restricted by law in certain countries or jurisdictions. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been nor will be taken by our Company or the Book Running Lead Manager which would permit an offering of the Equity Shares being offered in the Issue or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares to be issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any other offering material in connection with the Equity Shares offered in the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares Offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulations S. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" beginning on page 230.

The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 237.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require in making an investment decision. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of this Preliminary Placement Document as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting, investment and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any subscriber of the Equity Shares offered in the Issue regarding the legality of an investment in such Equity Shares by such subscriber under applicable laws or regulations.

Each subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and that it is eligible to invest in India and in the Company under applicable Indian law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act and Rule 14 of the PAS Rules, and is not prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities, including the Equity Shares.

The information available on or through the Company's website, www.pitti.in, any website directly or indirectly linked to the website of the Company, or the respective websites of the Book Running Lead Manager or any of its affiliates does not constitute nor form part of this Preliminary Placement Document and prospective investors should not rely on the information contained in or available through any such websites.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which are qualified in their entirety by the terms and conditions of such documents.

REPRESENTATIONS BY INVESTORS

References to "you" or "your" in this section are to the prospective investors in the Issue. By Bidding for and/or subscribing to any Equity Shares offered in this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 230 and 237, respectively, and have represented, warranted and acknowledged to and agreed to our Company and the Book Running Lead Manager, as follows:

1. Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or its Subsidiaries, its jointly controlled entity, which is not set forth in this Preliminary Placement Document.

2. You are a "**Qualified Institutional Buyer**" ("**QIB**"), as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (as defined hereinafter) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations / making necessary filings with appropriate regulatory authorities, including with the RBI, if any, in connection with this Issue or otherwise in relation to accessing the capital markets;

3. That you are eligible to invest in India under applicable law, including the RBI and FEMA Regulations (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by the SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling or dealing in securities or otherwise in relation to accessing capital markets in India;

4. If you are not a resident of India, but a QIB, you are an Eligible FPI (and are not an individual, corporate body or a family office) having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and are eligible to invest in India under applicable law, including the FEMA Regulations, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority or statutory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets. You confirm that you are not an FVCI. You will make all necessary filings with appropriate regulatory authorities, as required pursuant to applicable laws;

   If you are an Eligible FPI as defined in this Preliminary Placement Document, you confirm that you will participate in this Issue only under and in conformity with Schedule II of FEMA Regulations. Further, you acknowledge that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) and is not permitted to be 10% or above of the post-Issue paid-up capital of the Company on a fully diluted basis and further the aggregate limit for FPI investments shall not exceed the sectoral cap applicable to the Company;

5. You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable SEBI regulations for record keeping by our Company, including your name, complete address, phone number, e-mail address, PAN and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

6. You are eligible to invest in and hold the Equity Shares of the Company in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign investments can only be made through the Government approval route, as prescribed in the FEMA Regulations;

7. If you are Allotted Equity Shares pursuant to this Issue, you shall not sell the Equity Shares so acquired for a period of one year from the date of Allotment (as defined hereinafter), except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 230 and 237, respectively;

8. You are aware that this Preliminary Placement Document has not been, and will not be, filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India

and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document has not been reviewed, verified, or affirmed by the SEBI, the RBI, the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs. This Preliminary Placement Document has been, and the Placement Document shall be filed with the Stock Exchanges for record purposes only and be displayed on the websites of the Company and the Stock Exchanges;

9. You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions applicable to you and that you have fully observed such laws and you have all necessary capacity and have obtained all necessary consents and authorities and complied and shall comply with all necessary formalities to enable you to commit to, and to participate in this Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

10. None of the Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with this Issue and your participation in this Issue is on the basis that you are not, and will not, up to the Allotment of the Equity Shares, be a client of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates has any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

11. You acknowledge that all statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding our business strategies, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You acknowledge that such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which we will operate in the future. You agree not to place undue reliance on forward-looking statements, which speak only as of the date of this Preliminary Placement Document. You acknowledge that none of the Company, the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates assumes any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

12. You are aware that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, and the Allotment shall be on a discretionary basis at the discretion of the Company, in consultation with the Book Running Lead Manager;

13. You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 and the Companies Act, 2013, and the rules made thereunder;

14. You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 230 and you hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" on page 230;

15. You have been provided a serially numbered copy of this Preliminary Placement Document, and have read it in its entirety, including in particular the "*Risk Factors*" on page 36;

16. In making your investment decision, you have (i) relied on your own examination of our Company and its Subsidiaries and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company and its Subsidiaries and the Equity Shares and the terms of the Issue based on the information contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsels and advisors or otherwise have satisfied yourself concerning, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our

Company and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

17. You acknowledge that neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, has provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchasing, owning and disposal of the Equity Shares (including but not limited to this Issue and the use of proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, when evaluating the tax consequences in relation to the Equity Shares (including but not limited, to this Issue and the use of proceeds from the Equity Shares). You waive, and agree not to assert any claim against, either the Book Running Lead Manager or any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

18. You are a sophisticated and informed investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment and that you and them are each able to bear the economic risk an investment in the Equity Shares, (ii) will not look to the Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of losses that may be suffered in connection with this Issue, including losses arising out of non-performance by the Company any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise; (iii) have no need for liquidity with respect to the investment in the Equity Shares, and (iv) are seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute such Equity Shares and you have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, which may cause or require any sale by you or them of all or any part of the Equity Shares;

19. You are not a 'promoter' of the Company (as defined under Section 2(69) of the Companies Act and the SEBI ICDR Regulations), and are not a person related to any of the Promoters, either directly or indirectly and your Bid (as defined hereinafter) does not directly or indirectly represent any Promoter or Promoter Group or persons or entities related thereto;

20. You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of the Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

21. You acknowledge that you have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined herein);

22. You are eligible to Bid for and hold Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. Your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

23. The Bid made by you would not eventually result in triggering an open offer under the SEBI Takeover Regulations (as defined hereinafter);

24. To the best of your knowledge and belief, your aggregate holding, together with other Eligible QIB in this Issue that belong to the same group or are under common control as you, pursuant to the Allotment under this Issue shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

    a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiaries or holding company, not less than 15.00% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiaries or holding company and any other QIB ; and

b) 'Control' shall have the same meaning as is assigned to it under the SEBI Takeover Regulations.

25. You are aware that after Allotment, final applications will be made for obtaining listing and trading approvals from the Stock Exchange, and that there can be no assurance that such approvals will be obtained on time or at all. Neither the Company nor the Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising therefrom;

26. You shall not undertake any trade in the Equity Shares credited to your beneficiary account with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

27. You are aware that in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in this Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager;

28. You are aware that the pre-Issue and post-Issue shareholding pattern of the Company, as required by the SEBI Listing Regulations, will be filed by the Company with the Stock Exchanges;

29. You agree in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, that the Company shall make necessary filings with the RoC as may be required under the Companies Act;

30. You are aware that if you, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5.00% of the Equity Shares in this Issue, the Company shall be required to disclose the name of such Allottees and the number of Equity Shares Allotted to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures being made by the Company;

31. The contents of this Preliminary Placement Document are exclusively the responsibility of the Company and that neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to this Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of the Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting participation in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, and you have neither received nor relied on any other information, representation, warranty or statement made by, or on behalf of, the Book Running Lead Manager or the Company or any other person and neither the Book Running Lead Manager nor the Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them and the Book Running Lead Manager and its shareholders, directors, officers, employees, counsels, representatives, agents and affiliates will not be liable for your decision to accept an invitation to participate in this Issue based on any other information, representation, warranty, statement or opinion;

32. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by the Company of any of its obligations or any breach of any representations and warranties by the Company, whether to you or otherwise;

33. You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the Application Form.

34. Any dispute arising in connection with this Issue shall be governed and construed in accordance with the laws of the Republic of India, and the courts in Mumbai, India, shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Preliminary Placement Document or the Issue;

35. Either (i) you have not participated in or attended any investor meetings or presentations by the Company or its agents with regard to the Company or this Issue; or (ii) if you have participated in or attended any Company presentations; (a) you understand and acknowledge that the Book Running Lead Manager may not have the knowledge of the statements that the Company or its agents may have made at such Company presentations and are therefore unable to determine whether the information provided to you at such meetings or presentations included any material misstatements or omissions, and, accordingly you acknowledge that Book Running Lead Manager has advised you not to rely in any way on any such information that was provided to you at such meetings or presentations, and (b) you confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

36. The Bid made by you would not result in triggering a tender offer under the SEBI Takeover Regulations.

37. If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire the Equity Shares for each managed account to make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to 'you' to include such accounts;

38. Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in this Issue. You agree to indemnify and hold the Company and the Book Running Lead Manager and their respective shareholders, directors, officers, employees, counsels, representative, agents, affiliates and controlling persons harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements, agreements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by you, or on behalf of the managed accounts; and

39. You acknowledge that the Company, the Book Running Lead Manager and their respective affiliates, shareholders, directors, officers, employees, agents, counsels, officers, representatives and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Manager and the Company and are irrevocable.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals, including in terms of Regulation 21 of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended ("**SEBI FPI Regulations**"), an Eligible FPIs, including the affiliates of the Book Running Lead Manager, who are registered as category I FPI can issue, subscribe and otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") and persons who are eligible for registration as category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of USD 1,000 or any other amount, as may be specified by SEBI from time to time, from every subscriber of offshore derivative instrument issued by it and deposit the same with SEBI by way of electronic transfer in the designated bank account of SEBI. Such P-Notes can be issued post compliance with the KYC norms and such other conditions as specified by SEBI from time to time. P-Notes have not been, and are not being offered, or sold pursuant to this Preliminary Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including, without limitation, any information regarding any risk factors relating thereto.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a prospective investor has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the BRLM which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLM do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLM and does not constitute any obligations of or claims on the BRLM.

Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes, or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

Please also see *"Selling Restrictions"* and *"Transfer Restrictions"* on pages 230 and 237, respectively.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

(i) warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

(ii) warrant that the Equity Shares to be issued pursuant to the Issue will be listed or will continue to be listed on the Stock Exchanges; or

(iii) take any responsibility for the financial or other soundness of our Company, the promoter of our Company, its management or any scheme or project of the Company.

and it should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Equity Shares, may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the succeeding calendar year, so, unless otherwise specified or if the context requires otherwise, all references to a particular "financial year", "fiscal year", "fiscal" or "FY" are to the twelve-month period ended on March 31 of that year.

Our Audited Financial Statements prepared in accordance with Ind AS are included in this Preliminary Placement Document in "*Financial Information*" beginning on page 258.

Our Company publishes its financial statements in Indian Rupees (₹) and values are presented in lakhs. The Audited Consolidated Financial Statements for the financial year ended March 31, 2024, March 31, 2023, and March 31, 2022, are prepared under Ind AS have been included in this Preliminary Placement Document. Audited Financial Statements for the financial year ended March 31, 2024 is subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company.

In this Preliminary Placement Document, the financial information is included in whole numbers except for the sections titled "*Exchange Rate Information*" and "*Market Price Information*" on pages 15 and 76 where the information is rounded up to two decimal places. Certain figures contained in including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parentheses represent negative figures.

All financial and statistical information in this Preliminary Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise.

Certain conventions

Unless otherwise specified, all references to "India" in this Preliminary Placement Document are to the Republic of India, together with its territories and possessions and all references to the "US", the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions.

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document. References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

In this Preliminary Placement Document, unless the context otherwise indicates or implies, references to "you", "your", "offeree", "purchaser", "subscriber", "recipient", "investors", "prospective investors" and "potential investor" are to the prospective investors in the Issue, references to "the Company" or "the Issuer" or "our Company" are to Pitti Engineering Limited and references to or "we", "us" or "our" are to the Company and its Subsidiaries, unless otherwise specified.

Currency and units of presentation

In this Preliminary Placement Document, all references to "Indian Rupees", "₹", "INR", "`" and "Rs" are to Indian Rupees, the official currency of the Republic of India. All references to "U.S. dollars", "USD" and "U.S.$" are to United States dollars, the official currency of the United States of America.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. All the numbers in this Preliminary Placement Document have been presented in lakhs or whole numbers, unless stated otherwise. Except otherwise specified, our Company has presented certain numerical information in this Preliminary Placement Document in "million" units. One million represents 1,000,000.

Non-GAAP Financial Measures

In evaluating our business, we consider and use certain non-GAAP financial measures that are not defined under Ind AS and are not presented in accordance with Ind AS (which are referred to herein as "**Non-GAAP**" financial measures) such as EBITDA/MT, cash accruals, Interest Coverage Ratio, EBITDA Margin, PAT Margin, Cash Accruals and Return on Capital Employed to review and assess our operating performance. We have included Non-GAAP financial measures because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. We believe that the inclusion of supplementary adjustments applied in the presentation of each Non-GAAP financial measure is appropriate because it is a more indicative measure of our baseline performance, as it excludes certain charges that our Company's management considers to be outside of our core operating results. Non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS and prospective investors should read Non-GAAP financial measures in conjunction with the financial statements included in "*Financial Information*" on page 258. Non-GAAP financial measures for our Company may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation.

Financial and other Information

Our Audited Consolidated Financial Statements as at and for the year ended March 31, 2022 and the audit report thereon issued by the Company's previous auditor Laxminiwas & Co, Chartered Accountants, are included in this Preliminary Placement Document in "*Financial Information*" on page 373.

Our Audited Consolidated Financial Statements as at and for the years ended March 31, 2023 and 2024 and the respective audit reports thereon issued by the Company's auditor Talati & Talati LLP, Chartered Accountants, are included in this Preliminary Placement Document in "*Financial Information*" on pages 324 and 259 respectively.

Our Audited Consolidated Financial Statements as at and for the year ended March 31, 2024 do not account for our Company's acquisition of 100.00% of the equity share capital of BCIPL with effect from May 6, 2024. The financial statements of the BCIPL have till date been prepared under Indian GAAP, and will accordingly have to be converted to IndAS, before being consolidated with the financial statements of our Company. For further details, see "*Risk Factors- The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position*" on page 39.

Unless otherwise indicated or the context requires otherwise, all financial data in this Preliminary Placement Document pertaining to the consolidated financial statements as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, are derived from the respective Audited Consolidated Financial Statements and not derived from the comparative data for such respective financial year.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Preliminary Placement Document and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Also see "*Risk Factors - Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 68.

In this Preliminary Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry data forecasts pertaining to the business of our Company contained in this Preliminary Placement Document consists of estimates based on data reports compiled by government bodies, professional organisations and analysts, data from other external sources and knowledge of the markets in which our Company competes more particularly described in the section titled "***Industry Overview***" on page 123.

Unless stated otherwise, industry data used throughout this Preliminary Placement Document has been obtained or derived from the report titled "*Assessing the Opportunity for Motors, Generators and Components"* dated July 6, 2024 ("**F&S Report**"), which is a report commissioned and paid for by our Company and prepared and issued by Frost and Sullivan ("**F&S**"), in connection with the Issue.

In this context, please note that we have relied on the F&S Report. This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Information included in this Preliminary Placement Document from F&S Report is subject to the following disclaimer:

"The Opportunity for Motors, Generators and Components" has been prepared for the proposed qualified institutions placement of equity shares by Pitti Engineering Limited (the "Company").

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the Issue Documents of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the F&S Report from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors- Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by F&S and exclusively commissioned and paid for by us for such purpose"* on page 62.

FORWARD LOOKING STATEMENTS

This Preliminary Placement Document contains certain "forward-looking statements". These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "could", "may", "potential", "will pursue" and similar expressions or variations of such expressions.

All statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans, objectives, strategies, goals and prospects are forward-looking statements.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could prove to be inaccurate. Further, the actual results may differ materially from those suggested by the forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

1. We derive significant portion of our revenue from certain key customers, which is further concentrated on certain end-use industries. Additionally, 36.16% of our revenue from operations for Fiscal 2024 is derived from external customers located outside India. The loss of any of our key customers or significant reduction in business from any of our key customers due to any adverse development, any adverse impact on industries contributing significantly to our revenue or any adverse impact in primary geographical markets which significantly contributes to our export revenue, may adversely affect our business, financial condition, results of operations, cash flow and prospects.
2. We do not have long-term sales agreements with majority of our customers, and execute sales based on the purchase orders received from customers. With the absence of a long-term sales contract, there is no guarantee of continued business from the customers each year, and inability to retain our customers may result in adverse impact on our business and operations.
3. We depend on a few suppliers for the supply of electrical steel, our primary raw material. Further, we do not have long-term supply agreements with our suppliers for the supply of electrical steel. Any disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.
4. The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position.
5. The Bagadia Acquisition may fail to realise targeted synergies or other anticipated benefits which would adversely impact our business, results of operations, financial condition and prospects.

For further discussion of factors that could cause our actual results to differ from our expectations, see "*Risk Factors*" and the chapters "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 174, 123 and 91, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. None of our Company, the Directors, the Book Running Lead Manager or any of its affiliates or associates, have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not realise.

If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations, cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company incorporated with limited liability under the laws of India. All of our Directors are residents of India. All of our Company's Key Managerial Personnel and Senior Managerial Personnel are residents of India and a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult for investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**Civil Procedure Code**"), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon by the same parties or between parties under whom they or any of them claim to be litigating under the same title, except: (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law in force in India. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. The suit must be brought in India within three (3) years from the date of the judgment by a court in the United States in the same manner as any other suit filed to enforce a civil liability in India.

Under Section 14 of the Civil Procedure Code, a court in India shall presume, upon the production of any document purporting to be a certified copy of a foreign judgment, that such judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction. A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code can be enforced in India (i) by instituting execution proceedings; or (ii) by instituting a suit on such judgment.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that Section) in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by an appropriate court in India. Under the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and does not include arbitration awards.

Among others, each of the United Arab Emirates, United Kingdom, Singapore and Hong Kong has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A judgment of a foreign court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India may be required to obtain prior approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered pursuant to execution, and any such amount may be subject to tax in accordance with applicable laws. Any judgment in a foreign currency would be converted into Indian Rupees (₹) on the date of judgment and not on the date of payment.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Indian Rupee and foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees (₹) on the Equity Shares.

The following table sets forth information concerning exchange rates between the Indian Rupee and the U.S. dollar (in ₹ per US$), for or as of the end of the periods indicated. The exchange rates are based on the reference rates released by RBI / FBIL which are available on their respective websites. No representation is made that any Indian Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate. No representation is made that the Rupee amounts actually represent such U.S. dollar or could have been or could be converted into U.S. Dollar at the rates indicated, at any other rate, or at all.

(₹ per US$)

	Period end(*)	**Average(**)**	**High(***)**	**Low(****)**
Fiscal ended:				
March 31, 2024	83.37	82.79	83.40	81.65
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23
March 31, 2024	83.37	83.00	83.37	82.68
February 29, 2024	82.92	82.96	83.09	82.84
January 31, 2024	83.08	83.12	83.33	82.85

(*Source: www.fbil.org.in and www.rbi.org*)

* *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.*
** *Average of the official rate for each Working Day of the relevant period.*
*** *Maximum of the official rate for each working day of the relevant period.*
**** *Minimum of the official rate for each working day of the relevant period.*

Note:
(1) *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*
(2) *In the event that the RBI reference rate is not available on a particular date due to a public holiday, exchange rates for the previous Working Day have been considered.*

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.

The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further any references to any statute or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the sections "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" and "*Financial Information*" beginning on pages 246 and 258, respectively, shall have the meaning given to such terms in such sections.

General Terms

Our Company / the Company / the Issuer/Pitti	Pitti Engineering Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India
the Group / us / we / our	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries

Company Related Terms

Term	Description
Articles of Association/AoA/Articles	The articles of association of our Company, as amended from time to time
Audited Consolidated Financial Statements	The audited consolidated financial statements comprise of Balance Sheets as at March 31, 2024, March 31, 2023 and March 31, 2022, and consolidated statement of profit and loss and consolidated cash flow statements for each of the years ended March 31, 2024, March 31, 2023 and March 31, 2022, read along with the notes thereto of our Company prepared in accordance, Indian Accounting Standards ("**Ind AS**") and the Companies Act in respect of which report has been issued by the (i) Company's Auditor Talati & Talati LLP, Chartered Accountants, for the Fiscals 2023 and 2024; and (ii) Company's Previous Statutory Auditors Laxminiwas & Co, Chartered Accountants, for the Fiscal 2022.
Auditor/Statutory Auditors	The present statutory auditors of our Company, namely Talati & Talati LLP
Audit Committee	The audit committee of our Board of Directors
BCIPL	Bagadia Chaitra Industries Private Limited
Board of Directors/Board	The board of directors of our Company, including any duly constituted committees thereof
Company Secretary and Chief Compliance Officer	Company secretary and chief compliance officer of our Company, being Mary Monica Braganza
Corporate Social Responsibility Committee	The corporate social responsibility committee constituted by our Board of Directors
Director(s)	The director(s) on the Board of our Company, as may be appointed from time to time
Equity Shares	Equity shares of our Company of face value ₹ 5 each
ESOP Scheme/ Pitti ESOP Scheme	The ESOP scheme of our Company namely Pitti Engineering Limited - Employee Stock Option Plan 2024
Executive Director(s)	Executive directors of our Company, namely Sharad Badrivishal Pitti and Akshay Sharad Pitti. For details, see "*Board of Directors and Senior Management*" on page 199
Financial Statements	Audited Consolidated Financial Statements
Founder & Chairman	Founder & Chairman of our Company, being Sharad Badrivishal Pitti
F&S	Frost & Sullivan (India) Private Limited
F&S Report	Company commissioned and paid report titled "*Assessing the Opportunity for Motors, Generators and Components*" dated July 6, 2024

Term	Description
Group	Our Company and its Subsidiaries
Independent Director(s)	The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Board of Directors and Senior Management*" on page 199.
Key Management Personnel	The key management personnel of our Company in accordance with the provisions of the Companies Act, 2013, as amended. For details, see "*Board of Directors and Senior Management*" on page 205.
Memorandum of Association/Memorandum/MoA	The memorandum of association of our Company, as amended from time to time
Managing Director & Chief Executive Officer	Managing Director & Chief Executive Officer of our Company, being Akshay Sharad Pitti
Nomination and Remuneration Committee	The nomination and remuneration committee constituted by our Board of Directors
PCPL	Pitti Castings Private Limited
PRECL	Pitti Rail and Engineering and Components Limited
Previous Statutory Auditors	The previous statutory auditors of our Company namely, Laxminiwas & Co, Chartered Accountants
Promoters	Our promoters, Sharad Badrivishal Pitti and Akshay Sharad Pitti
Promoter Group	The persons and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office	6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India
Risk Management Committee	The risk management committee constituted by our Board of Directors
Senior Management Personnel	Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management*" on page 205.
Subsidiary(ies)	Subsidiaries of our Company as per the Companies Act, as on the date of this Preliminary Placement Document is Pitti Rail and Engineering Components Limited and Bagadia Chaitra Industries Private Limited
Stakeholders' Relationship Committee	The stakeholders' relationship committee constituted by our Board of Directors

Business and Issue Related Terms

Term	Description
Allocated/Allocation	Allocation of Equity Shares as determined by the Company, in consultation with the Book Running Lead Manager, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amount submitted by Eligible QIBs, in compliance with Chapter VI of the SEBI ICDR Regulations and other applicable law
Allot/Allotment/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares pursuant to the Issue
Allottees	Bidders to whom Equity Shares are Allotted pursuant to the Issue
Application Form	Serially numbered, specifically addressed bid cum application form (including any revisions thereof) which will be submitted by the Eligible QIBs for registering a Bid in the Issue
Application Amount/Bid Amount	With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bid(s)	An indication of interest by an Eligible QIB/Bidder, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bid/Issue Closing Date	[●], which is the last date up to which the Application Forms will be accepted by our Company (or the Book Running Lead Manager, on behalf of our Company)
Bid/Issue Opening Date	July 8, 2024, the date on which our Company (or the Book Running Lead Manager on behalf of our Company) commenced acceptance of the Application Forms
Bidder(s)	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the serially numbered Preliminary Placement Document and the Application

Term	Description
	Form sent to it.
Bidding Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date inclusive of both dates during which Bidders could submit their Bids including any revision and/or modifications thereof
Book Running Lead Manager or BRLM	Motilal Oswal Investment Advisors Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price.
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, i.e., on or about [●]
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue, which has been finalised by our Company in consultation with the Book Running Lead Manager
Designated Date	The date of credit of Equity Shares to the demat accounts of successful Bidders
Eligible FPIs	FPIs that are eligible to participate in the Issue in terms of applicable law, other than individuals, corporate bodies and family offices.
Eligible QIBs	A qualified institutional buyer, as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations, and which is not restricted from participating in the Issue under the applicable laws, including Regulation 179(2) of the SEBI ICDR Regulations.
Escrow Agreement	Agreement dated July 8, 2024 entered into amongst our Company, the Escrow Banks and the Book Running Lead Manager for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Bank	Kotak Mahindra Bank Limited
Escrow Account	The accounts titled "*Pitti Engineering Limited - QIP - Escrow Account*" opened with the Escrow Banks, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited.
Floor Price	The floor price of ₹1,054.25 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. The Company, in consultation with BRLM, may offer a discount on the Floor Price in accordance with the approval of the Shareholders accorded on June 13, 2024, and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Issue	The issue and Allotment of [●] Equity Shares each at a price of ₹ [●] per Equity Share to Eligible QIBs, including a premium of ₹ [●] per Equity Share, aggregating to an amount up to ₹ [●] lakhs, pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Price	₹ [●] per Equity Share
Issue Size	The aggregate size of the Issue, which is up to ₹ [●] lakhs
Monitoring Agency	India Ratings and Research Private Limited
Monitoring Agency Agreement	Agreement dated July 8, 2024 entered into between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of proceeds in relation to the Issue
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	Placement agreement dated July 8, 2024 entered into between our Company and the Book Running Lead Manager
Placement Document	Placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013 and the rules

Term	Description
	made thereunder, as amended
Preliminary Placement Document	This preliminary placement document dated July 8, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013, as amended
Pricing Date	The date of determination of the number of Equity Shares to be placed through the Issue and the Issue Price for the same
QIBs or Qualified Institutional Buyers	Qualified institutional buyer, as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act read with the applicable provisions of the PAS Rules
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	July 8, 2024, which is the date of the meeting of the Board of Directors of the Company or a duly authorised committee thereof on which it is decided to open the Issue
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Issue Shares
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Conventional and General Terms/Abbreviations

Term	Description
₹/Rupees/INR/Rs.	Indian Rupees
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AS	Accounting Standards
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate
Calendar Year	Year ending on December 31 of the relevant year
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CIBIL	TransUnion CIBIL Limited
CIN	Corporate identity number
Civil Procedure Code / C. P. C	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time

Term	Description
Cr.P.C	Code of Criminal Procedure, 1973
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
DIN	Director identification number
EBRC	Electronic Bank Realisation Certificate
EGM	Extraordinary general meeting
EPCG	Export Promotion Capital Goods
EPS	Earnings per share
ESOSs	Employee stock option scheme
FBIL	Financial Benchmarks of India Private Limited
FDI	Foreign Direct Investment
FDI Policy	Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations thereunder
Financial Year/Fiscal Year /Fiscal/FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the PAS Rules
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GBP	Great Britain Pound Sterling
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Ind-AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
Insolvency and Bankruptcy Code/ IBC	The Insolvency and Bankruptcy Code, 2016
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT Act/Income Tax Act	Income Tax Act, 1961, as amended
IT Rules	Income Tax Rules, 1962, as amended
ITAT	Income Tax Appellate Tribunal
MCA	Ministry of Corporate Affairs
NA	Not applicable
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs
Non-Resident Indian/NRI	A person resident outside India, as defined in the FEMA (Deposit) Regulations, 2016
Notified Sections	The sections of Companies Act, 2013 that have been notified by the MCA and are currently in effect
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum

Term	Description
PAN	Permanent account number allotted under the I.T. Act
PAS Rules	Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax
PPE	Personal Protective Equipment
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
PSI	Package Scheme of Incentive Policy, 2013
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
Rs/Rupees/Indian Rupees	The legal currency of India
RoC	Registrar of Companies, Telangana at Hyderabad
RodTEP	Remission of Duties and Taxes on Exported Products
RoU	Right of Use
RSU	Restricted Stock Unit
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SLR	Statutory liquidity ratio
State Government	The government of a state of the Union of India
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
U. S. Securities Act	U.S. Securities Act of 1933, as amended
U.K.	United Kingdom
US$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
USA/U.S./United States	United States of America
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be

Technical and Industry Terms

Term	Description
ABS	Anti-lock Braking Systems
APAC	Asia-Pacific
AC	Alternating current
DC	Direct current
ASEAN	Association of Southeast Asian Nations
Bn	Billion
BEE	Bureau of Energy Efficiency
BEV	Battery Electric Vehicles
CMIE	Centre for Monitoring Indian Economy
CPI	Consumer Price Index
CY	Calendar Year (January to December)
EV	Electric Vehicle
FTA	Free Trade Agreement

Term	Description
GCC	Gulf Cooperation Council
GVA	Gross Value Added
GW	Gigawatt
HEVs	Hybrid Electric Vehicles
HV	High Voltage
HT	High Tension
IoT	Internet of Things
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian National Rupees
KSA	Kingdom of Saudi Arabia
LATAM	Latin America
LV Motors	Low voltage motors
MEIS	Merchandise Exports from India Scheme
MMLPS	Multimodal Logistics Parks
Mn	Million
MoSPI	Ministry of Statistics and Programme Implementation
MV	Medium Voltage
MT	Metric Tonne
MTPA	Metric tonnes per annum
NIP	National Infrastructure Pipeline
NMP	National Monetization Pipeline
OD	Outer Diameter
PAT	Profit After Tax
PBT	Profit Before Tax
PHEV	Plug-in Hybrid Electric Vehicles
PLI	Production Linked Incentive
PPP	Public Private Partnership
T	Tonnes
Tn	Trillion

SUMMARY OF BUSINESS

We specialize in the manufacturing of a wide range of products such as electrical steel laminations, motor cores, sub-assemblies, die rotors and press tools and are the market leader in lamination vertical, which is part of the rotating electrical equipment vertical, based on revenue for the sub-vertical for Fiscal 2023 (*Source: F&S Report)*.

We have a long-standing experience of over three decades, with our operations commencing in the year 1987 as a manufacturer of electrical laminations for application in motors used in a wide array of electrical equipment. Over the years, for meeting dynamic customer requirements and capitalizing on the market opportunities, we have diversified and revamped our engineering capabilities and processes, with addition of machined castings, core building, shaft manufacturing and assembly, air gap turning, laser cutting, cleat forming, spot and special welding, heat treatment, machining, tool manufacturing, fabrication *etc.* to manufacture and supply a wide range of products, high value-added assemblies components, and ready to wind assemblies used in rotating equipment *i.e.*, stators and rotors for application in diversified set of industries.

Assimilation of such manufacturing capabilities resulted in the development of an integrated end-to-end supply chain for our customers in the rotating electrical equipment vertical. Under the rotating electrical equipment vertical, we have the capability to manufacture laminations ranging up to 1300 mm diameter in size, stator assemblies of up to 1800 mm height weighing a maximum of 10 tons, and with our rotor die casting facility we have capabilities to manufacture rotors with weight and height ranging up to a maximum of 180 kg and 1,500MM, respectively. Set out below is a list of a few key products under rotating electrical equipment vertical:

Product portfolio of Rotating Electrical Equipment

Loose Laminations

Stator Glued Lamination

Pole Lamination

RTU Rotors (Diecast Rotors)

Copper Built up Rotor

RTU Rotor

Stator Core (Traction)

Assembled Stator Core

Stator Core (Traction Alternator)

RTU Stator

Assembled Core (Fan Core)

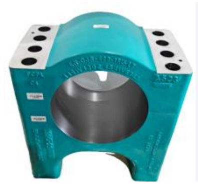
Assembled Core (Stator and Rotor Pack)

Assembled Core (Magneto Pack)

Barrel

In addition to the manufacturing of products under the rotating electrical equipment vertical, we further leveraged our engineering expertise and machining capabilities to expand into the manufacturing of complex and critical machined components comprising of machined fabricated parts and forged shafts, and also undertake specialized processing and machining to cater to requirements of precision engineering and machining in diversified set of industries including mining, renewable energy and automotive. Set out below is a list of a few products under machined components vertical

Product portfolio of Machined Components

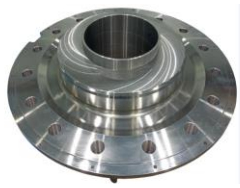



Water Pump Shaft and Armature Shaft | *Pedestal Gear Box* | *Cylinder* | *Canon Tube*




High Speed Planatory Gear Shaft | *Stator Frames*



Gear Case | *Axle Box* | *Centre Piot* | *Flywheel Flange*

We manufacture and supply a wide range of products under our rotating electrical equipment and machined component verticals for usage in diversified set of industries. Set forth below are the industry wise categorization of our key products:

Key Industries	Types of Part Supplied
Rotating Equipment Vertical	
Renewable energy	Stator and rotor laminations, assembled stator and fully integrated ready to wind rotors with shaft.
Power generation	Stator and rotor laminations and assembled stator and rotors
Data centres	Assembled stator integrated with a landing bar and fully integrated ready to wind rotors with shaft
Consumers	Assembled stator and rotor
Automotive	Assembled stator and rotors, powder coating
Industrial	Assembled stator, diecast rotors and fully integrated ready to wind diecast rotors with shaft
Special purpose motors	Stator and rotor laminations, assembled stator, diecast rotors and fully integrated ready to wind rotors with shaft and copper bar
Mining	Assembled stator
Traction motors and railway components	Stator and rotor laminations and ready to wind stator frames
Machined Components Vertical	
Mining equipment	machined frame, machined barrel, flywheel flange, highspeed and low speed planetary gear shafts
Renewable energy	Module endplate for hydrogen electrolyzers

We have vertically integrated our operations from tooling to laminations and their assemblies; and from machined casting and fabrication to machining and other value-added processes, which we believe has enabled us to provide a comprehensive one stop shop for our clients in rotating equipment vertical. We believe that our focus on producing margin accretive value-added products has led to our transition from being an electrical lamination-led business to a multi-product offering Company. We intend to leverage our engineering expertise, machining capabilities, fabrication and casting experience to further expand our business into the manufacturing of complex and critical machined components, which we believe is both margin accretive and value additive, to a diversified range of end user industries.

Our revenue from sale of machined components vertical has increased from ₹ 9,959.25 lakhs in Fiscal 2022, representing 10.44% of our revenue from operations in Fiscal 2022 to ₹14,714.18 lakhs in Fiscal 2024, representing 12.25% of our revenue from operations in Fiscal 2024, at a CAGR of 13.89%, depicting our increased focus on machined products. For details see "*Our Business - Key Operational and Financial Metrics*" on page 177.

Our facilities

As on date of this Preliminary Placement Document, our Company has four manufacturing facilities comprising three manufacturing facilities located in Telangana (all located in close proximity to each other in Nandigaon) and one facility located in Aurangabad, Maharashtra. For details, see "*Our Business - Our Manufacturing Facilities*" on page 193.

Our Company has also recently acquired Bagadia Chaitra Industries Private Limited ("**BCIPL**"), pursuant to the share purchase agreement dated March 11, 2024, which as on the date of this Preliminary Placement Document is our wholly owned subsidiary. BCIPL is engaged in manufacturing of electrical laminations and die cast rotors with geographical exposure to the regions of South Indian including Karnataka and Tamil Nadu. It has two manufacturing facilities in Tumkur, Karnataka. Through this acquisition, our Company intends to broaden its presence in South India and add to the overall asset base and production capacity. Upon acquisition of BCIPL, we have an aggregate of six manufacturing facilities (one of which is in the process of being reoperationalised) with a combined installed capacity of 72,000 MT, as of March 31, 2024. For details, see "*Our Business - Our Manufacturing Facilities*" on page 193.

Further, we intend to amalgamate Pitti Castings Private Limited ("**PCPL**"), our promoter-led group company, with our Company pursuant to the Scheme with an objective of further vertical integration of our supply chain. PCPL is currently involved in the casting business and has a foundry unit in Hyderabad. We believe that proposed amalgamation will enable us to keep the core competencies required for our business in-house, streamline our production processes, achieve shorter product development and delivery times, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.

We are currently in the process of re-organizing our manufacturing footprint in line with our business strategies. For further details, see "*Our Business- Strategies- Strategic expansion of our manufacturing facilities"* on page 184.

Our manufacturing operations, ranging from tooling, laminations and assemblies to castings, fabrication and machining, are coordinated and managed through a unified SAP software, integrated QMS (Quality Management System) and common manufacturing and marketing teams, which we believe has enabled us to focus on manufacturing of margin accretive and value additive machined products.

We have received quality accreditation certifications for our integrated and management systems which, along with our automative task handling, affirm our software capabilities for process design. For instance, our manufacturing facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015 and IATF 16949:2016, environmental management systems such as ISO 14001:2015. Our manufacturing facilities have also been certified with the requirements of EN 15085 for welding railway vehicles and components, and ISO 3834-2 related to welding products.

Our endeavor and focus are on consistently delivering quality products along with our integrated and advanced manufacturing operations which has enabled us to develop products suited to our customers' requirements, which has, in-turn, helped us in fostering long term customer relationships.

For instance, leveraging our machining capabilities, we had been supplying an international client stator frame integrated assemblies, which in our opinion, eventually enabled us to secure a long-term contract spanning 13 years for supply of various undercarriage parts for locomotives such as rotor cores, journal box, stator frames and cores, *etc.* We have several leading global manufacturers in the locomotive, traction motors, renewable energy, power generation, automotive and other industrial sectors as our clients, which include Wabtec India Industrial Private Limited, Varroc Engineering Limited, Medha Traction Equipment Private Limited and Weg Industries India Private Limited. We have received the "Best Supplier of the Year" award from GE India in 2012, "Product development support excellence award" from Cummins India Limited, received in 2013, "Best performer in quality/on time delivery/lead times" from ABB India Limited in 2018; "the Supplier of the Year" award from Wabtec Corporation in 2022, an award for supplier cost reduction ideas from the Wabtec Corporation in 2023, and Certification of Appreciation from Cummins Generator Technologies in 2024.

We are a promoter driven, professionally managed organization. Our Promoter and Chairman, Sharad B Pitti, has more than 35 years of experience in the precision engineering and manufacturing sector and has played a pivotal role in our Company's innovation, success, and growth. Additionally, Akshay S Pitti, our second-generation Promoter, Managing Director and Chief Executive Officer has extensive experience of serving in different roles within our Company.

Key operational and Financial Metrics

Set out below are our key operating and financial metrics:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(in ₹ lakhs, unless otherwise specified)		
Revenue from operations	1,20,159.64	1,10,017.15	95,382.38
EBITDA(1)	17,770.99	15,138.46	13,262.25
EBITDA margin (%)(2)	14.79%	13.76%	13.90%
EBITDA / MT (in ₹)(3)	42,007	41,707	41,516
PAT	9,019.13	5,883.21	5,186.31
PAT margin (%)(4)	7.22%	5.26%	5.35%
Cash accruals(5)	14,421.04	10,348.44	9,073.99
Return on Capital Employed (%) (6)	16.21%	17.01%	15.72%
Domestic Sales (in MT)	33,149	28,426	25,130
Export Sales (in MT)	9,156	7,871	6,815
Sheet Metal – Total Sales (in MT)	42,305	36,297	31,945
Sheet Metal Produced (in MT)*	40,850	35,803	32,080
Machining hours utilized*	4,16,876	3,42,467	3,07,682

** As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024. Sheet metals forms part of the rotating electrical equipment vertical of the Company.*

Notes-

(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income
(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA per MT =EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

The following table additionally sets forth revenue contribution made by our (A) Rotating equipment vertical and (B) Machined Component vertical to the consolidated revenue from operations of our Company for the years indicated below:

(in ₹ lakhs, unless otherwise specified)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	**% of Revenue from Operations**	**Revenue from Operations**	**% of Revenue from Operations**	**Revenue**	**% of Revenue from Operations**
A. Rotating electrical equipment						
Stator and Rotor Laminations and low value-added assemblies	39,731.93	33.07%	34,550.11	31.40%	25,781.76	27.03%
High value-added assemblies	34,106.15	28.38%	35,443.58	32.22%	33,654.96	35.28%
Stator frame or Rotor shaft integrated assemblies	16,735.30	13.93%	16,507.74	15.00%	11,699.36	12.27%
B. Machined Components	14,714.18	12.25%	10,465.49	9.51%	9,959.25	10.44%
Total of the above two verticals	**1,05,287.56**	**87.63%**	**96,966.92**	**88.13%**	**81,095.33**	**85.02%**
Others(1)	**14,872.08**	**12.37%**	**13,050.23**	**11.87%**	**14,287.05**	**14.98%**
Total Revenue from Operations	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Others include sale of tools, scrap sales and other operating revenue (export incentives) adjusted with price variance & discounts.

The following table sets forth key operating and financial metrics of (A) Pitti Castings Private Limited and (B) BCIPL for the years indicated below:

Pitti Castings Private Limited

(In Rs lakhs, unless otherwise specified)

Particulars*#	Fiscal 2023	Fiscal 2022
Revenue from Operations	15,032.21	13,744.00
EBITDA(1)	1,281.92	791.79
EBITDA margin(2) (%)	8.53%	5.76%
EBITDA / MT(3) (in Rs.)	17,377	10,160
PAT	483.61	(166.11)
PAT Margin(4) (%)	3.21%	-1.21%
Cash accruals(5)	981.52	535.23
Return on Capital Employed(6) (%)	10.30%	1.37%
Domestic Sales (in MT)	7,377	7,793
Export Sales (in MT)	-	-
Total Sales (in MT)	7,377	7,793
Castings Produced (in MT)^	7,990	8,071

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, independent chartered engineer associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.

#Audited standalone financial information of PCPL for Fiscal 2024 is not available as on the date of this Preliminary Placement Document. Accordingly, certain financial information has been included for Fiscals 2023 and 2022.

**Financial information for PCPL as included in this Preliminary Placement Document has been derived from the audited financial statements of PCPL prepared in accordance with the Indian GAAP, and accordingly may not be comparable with financial statements of the Company prepared in accordance with IndAS. For details, see "Risk Factors - We are in the process of undertaking a corporate re-organisation and amalgamating certain subsidiaries and promoter-held companies, into and with our Company, subject to necessary statutory/regulatory approvals under applicable law. Since the Scheme is subject to necessary statutory and regulatory approvals under applicable laws including approval of the NCLT, the timing of implementation thereof remains uncertain, and we cannot assure you that we will be able to realise targeted synergies from the proposed amalgamation" on page 41.*

Notes-

1. *EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income*
2. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*
3. *EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)*
4. *PAT margin (%) is calculated by dividing Profit after Tax by Total Income*
5. *Cash accruals=Profit after Tax + Depreciation and Amortization expenses*
6. *Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability*

BCIPL

(In Rs lakhs, unless otherwise specified)

Particulars*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	25,038.91	26,406.76	23,707.77
EBITDA(1)	1,736.74	1,411.23	1,514.29
EBITDA margin(2) (%)	6.94%	5.34%	6.39%
EBITDA / MT(3) (in Rs.)	12,641	11,477	14,378
PAT	804.61	417.50	683.52
PAT Margin(4) (%)	3.20%	1.58%	2.88%
Cash accruals(5)	1,014.51	847.47	1,075.29
Return on Capital Employed(6) (%)	24.76%	19.77%	21.92%
Domestic Sales (in MT)	13,379	11,975	10,170
Export Sales (in MT)	360	321	362
Total Sales (in MT)	13,739	12,296	10,532
Sheet Metal Produced (in MT)^	13,493	12,240	10,412

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.

**The financial statements of BCIPL have historically been prepared under Indian GAAP, and will accordingly have to be converted to IndAS, before being consolidated with the financial statements of our Company. These transition adjustments can potentially lead to a significant difference in reported figures of BCIPL and accordingly additional explanation or reconciliation disclosures may have to be included in the consolidated financial statements of our Company. For further details, see "Risk Factors- The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position." on page 39.*

Notes-

1. *EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income*
2. *EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*

(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" beginning on pages 36, 79, 228, 214 and 242 respectively.

Issuer	Pitti Engineering Limited
Face Value	₹5 per Equity Share
Floor Price	The floor price calculated on the basis of Regulation 176 of Chapter VI of the SEBI ICDR Regulations is ₹ 1,054.25 per Equity Share. Our Company may offer a discount of up to 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution dated June 13, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹ [●] per Equity Share (including a premium of ₹[●] per Equity Share)
Issue Size	The issue of [●] Equity Shares, aggregating to an amount up to ₹ [●] lakhs A minimum of 10% of the Issue Size i.e., up to [●] Equity Shares, shall be available for Allocation to Mutual Funds only and up to [●] Equity Shares should be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation to Mutual Funds, such undersubscribed portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	May 15, 2024
Date of Shareholders' Resolution	June 13, 2024
Eligible Investors	Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. See "*Issue Procedure –Eligible QIBs", "Selling Restrictions" and "Transfer Restrictions*" on pages 219, 230 and 237, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered shall be determined by the Book Running Lead Manager in consultation with the Company, at their sole discretion.
Dividend	See "*Description of Equity Shares*", "*Dividend Policy*" and "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on pages 242, 90 and 246, respectively.
Indian Taxation	See "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on page 246.
Equity Shares issued and outstanding immediately prior to the Issue	3,20,50,067* Equity Shares of ₹ 5 each **On account of non-payment of final call money by certain shareholders of the Company, 8,300 partly paid-up equity shares of face value of ₹ 10 each of the Company were forfeited pursuant to resolutions passed by the board of directors of our Company in their meeting held on June 29, 2009.*
Equity Shares issued and outstanding immediately after the Issue	[●] Equity Shares will be issued and outstanding.
Issue procedure	This Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR
Listing and trading	Our Company has obtained in-principle approvals each dated July 8, 2024, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue, from NSE and BSE, respectively. Our Company shall make an application to each of the Stock Exchanges after Allotment to obtain listing and trading approvals for the Equity Shares
Lock-in	For details in relation to lock-up, see "***Placement – Lock-up***" on page 228 for a description of restrictions on our Company and Promoters in relation to the Equity Shares.

Transferability Restrictions	The Equity Shares Allotted pursuant to the Issue shall not be sold for a period of one (1) year from the date of Allotment, except on the Stock Exchanges. For details in relation to other transfer restrictions, see "*Transfer Restrictions*" beginning on page 237.	
Use of Proceeds	The gross proceeds from the Issue will be aggregating to approximately ₹ [●] lakhs. The Net Proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, is expected to be approximately ₹ [●] lakhs. See "*Use of Proceeds*" beginning on page 79 for additional information	
Risk Factors	See "*Risk Factors*" beginning on page 36 for a discussion of risks you should consider before deciding whether to subscribe for the Equity Shares	
Closing Date	The Allotment of the Equity Shares offered pursuant to the Issue is expected to be made on or about [●]	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Shareholders of our Company may attend and vote in shareholders' meetings on the basis of one vote for every Equity Share held. For further details, please see "*Dividend Policy*" and "*Description of the Equity Shares*" on pages 90 and 242, respectively.	
Voting Rights	See "*Description of Equity Shares – Voting Rights*" beginning on page 244	
Security Codes/Symbols for the Equity Shares	ISIN	INE450D01021
	BSE Code	513519
	NSE Code	PITTIENG

SUMMARY FINANCIAL INFORMATION

The following summary financial information and other data should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes thereto and the reports thereon, which appear in "Financial Information" beginning on page 258. The summary financial information set forth below is derived from and should be read in conjunction with the Audited Consolidated Financial Statements prepared in accordance with the Ind AS and Companies Act, 2013 and other accounting principles generally accepted in India.

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Consolidated Balance Sheet

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	33,363.83	27,887.49	22,785.15
(b) Capital work-in-progress	11,807.77	2,405.69	61.23
(c) Intangible assets	524.13	919.98	1,382.42
(d) Right of use assets	8,329.66	7,428.52	8,300.10
(e) Investment property	-	190.90	203.82
(f) Financial Assets			
(i) Investments	1,520.23	1,514.52	1,641.00
(ii) Other financial assets	377.43	852.55	189.89
(g) Other non-current assets	6,402.26	2,374.58	2,318.36
TOTAL NON - CURRENT ASSETS	62,325.31	**43,574.23**	**36,881.97**
CURRENT ASSETS			
(a) Inventories	27,019.95	23,931.40	27,228.71
(b) Financial Assets			
(i) Investments	1.23	1.11	0.73
(ii) Trade receivables	21,039.22	18,144.63	20,426.46
(iii) Cash and Cash equivalents	7,593.41	3,970.14	770.75
(iv) Other bank balances	3,351.24	2,546.46	2733.49
(v) Other financial assets	139.46	86.25	87.76
(c) Other current assets	11,528.76	5,541.38	7,527.02
TOTAL CURRENT ASSETS	**70,673.27**	**54,221.37**	**58,774.92**
TOTAL ASSETS	**1,32,998.58**	**97,795.60**	**95,656.89**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	1,602.92	1,602.92	1,602.92
(b) Other equity	40,019.48	31,800.59	26,788.68
TOTAL EQUITY	**41,622.40**	**33,403.51**	**28,391.60**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	26,294.34	12,187.91	11,018.84
(ii) Lease liability	6,258.49	5,403.58	5,291.10
(iii) Other financial liabilities	0.36	0.36	0.36
(b) Provisions	1,729.31	817.05	780.28
(c) Deferred tax liabilities(net)	365.52	851.08	912.30
TOTAL NON-CURRENT LIABILITIES	**34,648.02**	**19,259.98**	**18,002.88**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	27,374.29	16,802.92	21,423.95
(ii) Lease liability	1,689.94	1,248.55	1,542.56
(iii) Trade payables			
Dues to micro and small enterprises	254.28	136.05	131.73
Dues to other enterprises	22,500.89	24,994.29	21,889.97
(iv) Other financial liabilities	1,265.83	832.49	852.10
(b) Other current liabilities	317.07	453.43	1,481.99
(c) Provisions	617.09	425.14	376.90
(d) Income tax liabilities (net)	2,708.77	239.24	1,563.21
TOTAL CURRENT LIABILITIES	**56,728.16**	**45,132.11**	**49,262.41**
TOTAL EQUITY AND LIABILITIES	**1,32,998.58**	**97,795.60**	**95,656.89**

Consolidated Statement of Profit and Loss

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	For the Year ended March 31, 2022
INCOME			
Revenue from operations	1,20,159.64	1,10,017.15	95382.38
Other income	4,820.89	1782.68	1,642.55
TOTAL INCOME	**1,24,980.53**	**1,11,799.83**	**97,024.93**
EXPENSES			
Cost of Materials consumed	80,040.96	78,143.23	69,425.51
Changes in inventories of work-in-process, finished goods and scrap	550.41	87.57	(1,610.57)
Employee benefits expenses	10,816.48	8,662.85	7,847.11
Finance costs	4,999.30	4,465.41	3,960.50
Depreciation and amortization expenses	5,401.91	4,465.23	3,887.68
Other expenses	10,980.80	7985.04	6,458.08
TOTAL EXPENSES	**1,12,789.86**	**1,03,809.33**	**89,968.31**
Profit before tax	**12,190.67**	**7990.50**	**7,056.62**
TAX EXPENSES			
(a) Current tax	3,523.79	2,130.09	1,955.15
(b) Tax relating to earlier years	(6.48)	(1.31)	10.20
(c) Deferred tax	(345.77)	(21.49)	(95.04)
TOTAL TAX EXPENSES	**3,171.54**	**2,107.29**	**1,870.31**
Profit for the period	**9,019.13**	**5,883.21**	**5,186.31**
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans	(561.14)	(31.74)	2.93
Change in fair value of non-current investment	5.71	(126.48)	(0.33)
Change in fair value of current investment		0.37	
Income tax relating to items that will not be reclassified subsequently to profit or loss	139.79	39.73	-
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income	**(415.64)**	**(118.12)**	**2.60**
Total Comprehensive Income	**8,603.49**	**5,765.09**	**5,188.91**
Earnings per Equity Share of Face Value of ₹ 5/- each			
(a) Basic	28.14	18.36	16.18
(b) Diluted	28.14	18.36	16.18

Consolidated cash flow statement

(All amounts in ₹ in lakhs, except stated otherwise)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax	12,190.67	7,990.50	7,056.62
Adjusted for			
Depreciation and amortisation expenses	5,401.91	4,465.23	3,887.68
Interest Income	(267.56)	(177.86)	(96.39)
Credit Risk Impaired	9.37	43.54	70.60
Credit Risk Allowance	15.63	(0.55)	(61.11)
(Gain) / Loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(12.90)	(21.70)	(30.14)
(Gain)/ Loss on Lease modification	(0.99)	-	-
Re-measurement gains/(losses) on employee defined benefit plans	(561.14)	(31.74)	2.93
Re-measurement gains/(losses) on Investments	5.84	(126.11)	(0.33)
Loss on current financial assets measured at FVTPL	(5.97)	126.11	0.34
Advance received for Assets held for sale	-	-	(385.00)
Unrealized foreign exchange differences	100.09	75.94	256.13
Finance Costs	4,999.30	4,465.43	3,960.50
Operating Profit before Working Capital changes	**21,874.25**	**16,808.79**	**14,661.83**
Working Capital changes adjusted for			
Trade & Other Receivables	(9,247.52)	3,491.32	(7,750.26)
Inventories	(3,088.55)	3,297.31	(11,506.62)
Trade and other payables	(1,132.05)	2,071.50	15,178.94
Total Working Capital changes adjusted for	**(13,468.12)**	**8,860.13**	**(4,077.94)**
Cash generated from operations	**8,406.13**	**25,668.92**	**10,583.89**
Direct Taxes Paid	(1,047.78)	(3,452.75)	(1,792.76)
Cash Flow before extraordinary items	**7,358.35**	**22,216.17**	**8,791.13**
Net Cash Flow From Operating Activities - (A)	**7,358.35**	**22,216.17**	**8,791.13**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant & equipment and intangibles	(17,455.26)	(9,570.85)	(6,148.40)
Advances to Property, Plant & equipment and intangibles	(4,003.68)	(63.10)	(1,542.26)
ROU Assets as per IND AS 116	(2,441.32)	(1,047.45)	(1,707.17)
Proceeds from sale of property, plant & equipment	97.71	171.48	73.70
Interest income received	228.60	156.77	45.70
Net Cash used in Investing Activities - (B)	**(23,573.95)**	**(10,353.15)**	**(9,278.43)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Cash Payments for Principal portion of lease liability	1,425.25	(178.66)	(348.66)
Cash Payments for Interest portion of lease liability	(128.95)	(2.87)	(14.68)
Proceeds from Borrowings - Noncurrent (including current maturities)	21,481.93	3,819.65	9,097.55
Repayment of Borrowings - Noncurrent (including current maturities)	(2,795.69)	(3,177.58)	(4,281.34)
Proceeds/(repayments) of short-term borrowings (Net)	5,991.56	(4,094.03)	(96.78)
Finance charges	(4,947.32)	(4,465.78)	(3,532.14)
Term Deposit Accounts with financial institutions	(803.31)	195.76	334.68
Payment of Dividend	(383.13)	(751.39)	(376.59)
Unclaimed Dividend	(1.47)	(1.79)	-
Lease Liability	-	-	439.23
Net Cash used in Finance Activities - (C)	**19,838.87**	**(8,656.69)**	**1,221.27**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**3,623.27**	**3,206.33**	**733.97**
Opening Balance in Cash and Cash Equivalents	**3,970.14**	763.81	**36.78**
Closing Balance in Cash and Cash Equivalents	**7,593.41**	3,970.14	770.75
Components of cash and cash equivalents:			
Cash on hand	2.37	3.31	9.69
Balances with banks			
Current accounts	1,130.92	1,234.72	753.09
EEFC accounts	1.12	1.11	1.03
Term Deposit Accounts within 3 months of maturity (Without lien)	6,459.00	2,731.00	6.94
Total cash and cash equivalents	**7,593.41**	**3,970.14**	**770.75**

RELATED PARTY TRANSACTION

For details in relation to the related party transactions entered into by our Company during Fiscals 2024, 2023 and 2022, as per the requirements under Ind AS 24 'Related party disclosures', as applicable and notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported see "*Financial Information – Related Party Transaction*" on pages 311, 365 and 408.

RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider each of the following risk factors and all other information set forth in this Preliminary Placement Document before making an investment in our Equity Shares. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows and could cause the market price of the Equity Shares to decline and you could lose all or part of your investment and could cause the market price of the Equity Shares to decline and you could lose all or part of your investment.

*In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with "**Our Business**", "**Industry Overview**", **"Legal Proceedings"** and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 174, 123, 251 and 91 respectively, as well as the financial, statistical, and other information contained in this Preliminary Placement Document.*

Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessing the Opportunity for Motors, Generators and Components" dated July 6, 2024 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited ("**F&S**"), appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. The relevant industry sources are indicated at all relevant places within this section.*

*Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2024, 2023 and 2022 included herein is derived from Audited Consolidated Financial Statements or Audited Standalone Financial Statements. For further information, see "**Financial Information**" on page 258.*

Unless otherwise indicated or the context otherwise requires, in this section, references to "we", "us" and "our" are to the Company together with its Subsidiaries, on a consolidated basis.

INTERNAL RISKS

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

1. ***We derived 76.52% of our revenue from Top 10 customers, in fiscal 2024, which is further concentrated on certain end-use industries. Additionally, 36.16% of our revenue from operations for Fiscal 2024 is derived from external customers located outside India. The loss of any of our key customers or significant reduction in business from any of our key customers due to any adverse development, any adverse impact on industries contributing significantly to our revenue or any adverse impact in primary geographical markets which significantly contributes to our export revenue, may adversely affect our business, financial condition, results of operations, cash flow and prospects.***

We have in the past derived a significant portion of our revenue from certain key customers and we may continue to derive a significant portion of our revenue from such customers. The following table sets forth the details of our revenue contributed by our top 1 customer, top 5 customers and top 10 customers on consolidated basis, for the periods indicated below:

(in ₹ lakhs, except percentages)

Particulars*	For the year ended March 31,					
	2024		2023		2022	
	Revenue	As a % of the Revenue from operations	Revenue	As a % of the Revenue from operations	Revenue	As a % of the Revenue from operations
Contribution from top 1 customer	38,479.09	32.02%	33,804.22	30.73%	26,121.31	27.39%
Contribution from top 5 customers	80,434.50	66.94%	73,948.98	67.22%	64,471.15	67.59%
Contribution from top 10 customers	91,941.05	76.52%	85,805.15	77.99%	75,533.84	79.19%

Note: Top customers contributing to revenue for each of the respective years.

As our business is currently concentrated to a selected number of key customers, any adverse developments with such customer groups, including as a result of a dispute with or disqualification by such major customer groups, loss of contracts entered with certain customers or failure to negotiate acceptable terms including terms and conditions of purchase orders, loss of market share of these customers in their industries, adverse change in the financial condition of these customers, decline in their sales, plant shutdowns, labour strikes or other work stoppages affecting production of these customers, technological advancement may result in us experiencing significant reduction in our orders, revenue, cash flows and liquidity. Further, in the event our customer groups are able to fulfil their requirements through captive or in house manufacturing or any of our existing or new competitors start providing products with better quality, lead time and / or cheaper cost, we may lose significant portion of our business. Additionally, consolidation of any of our customer groups may also adversely affect our existing relationships and arrangements with such customer groups, and any of our customer groups that are acquired may cease to continue the businesses that require products manufactured by us.

Further, certain of our products including stator and rotor lamination, high value-added assemblies forming stator and rotor cores constituting critical components of motors and generators, and our wide portfolio of machined components are intermediate capital goods for various end user industries. The success of the final products supplied by our customers is critical for our operations since the volume and timing of sales to our major customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. For instance, the COVID 19 pandemic had resulted in a decline in demand for the products manufactured by our major customer groups, which significantly reduced their production levels and consequently had an adverse impact on our financial condition and results of operations.

We derive significant revenue from sale of our products to certain end-use industries, the table below sets out the revenue derived from various end-use industries and as a percentage of our revenue from operations for the periods indicated:

(in ₹ lakhs, unless otherwise specified)

End Use Industries	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations
Renewable energy	5,441.00	4.53%	5,256.00	4.78%	3,917.00	4.11%
Power generation	17,262.00	14.37%	15,503.00	14.09%	14,605.00	15.31%
Data centre	1,998.00	1.66%	2,486.00	2.26%	2,095.00	2.20%
Appliances and consumer	599.00	0.50%	335.00	0.30%	1,591.00	1.67%
Automotive	544.00	0.45%	680.00	0.62%	-	0.00%
Industrial and commercial	15,217.00	12.66%	15,160.00	13.78%	15,303.00	16.04%
Special purpose motors	10,054.00	8.37%	11,156.00	10.14%	11,222.00	11.77%
Mining, oil and gas	8,445.00	7.03%	7,883.00	7.17%	4,745.00	4.97%
Traction motor and railway components	50,025.00	41.63%	37,951.00	34.50%	25,185.00	26.40%
Others (1)	10,574.64	8.80%	13,607.15	12.36%	16,719.38	17.53%
Total	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1)Others include sale of tools, scrap sales and other operating revenue (export incentives) adjusted with price variance & discounts

Any adverse development for industries which significantly contributes to our business *inter-alia* adverse regulatory framework or policies, economic or political or financial instability, adverse tax policies, inadequate access to capital for growth of business and operations, decline in market size or demand, technological advancement rendering existing products or technology redundant, change in competitive landscape, adverse change in consumer trends etc. will also have a cascading adverse impact on demand of our products, our business, operations, financial conditions and cash flows.

We are also dependent on external customers for our revenue from operations. The following table sets forth our revenue contributed by our customers in India and key geographic markets located outside India, for the periods indicated below:

(in ₹ lakhs, except percentages)

Region	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from Operations	**% contribution to revenue from operations**	**Revenue from Operations**	**% contribution to revenue from operations**	**Revenue from Operations**	**% contribution to revenue from operations**
India	76,712.57	63.84%	72,966.11	66.32%	65,770.42	68.95%
USA	13,977.54	11.63%	15,583.38	14.16%	12,820.77	13.44%
Rest of Americas(1)	25,510.62	21.24%	20,061.98	18.25%	15,691.11	16.46%
Euro Zone(2)	3,958.91	3.29%	1,037.19	0.94%	1,071.21	1.12%
Rest of World(3)	-	0.00%	368.49	0.33%	28.87	0.03%
Revenue from operations	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Rest of Americas comprises of Mexico and Brazil
(2) Euro Zone comprises of Spain, Germany, and Switzerland
(3) Rest of the world comprises of Kazakhstan and China

Our dependency on external customers exposes us to adverse developments relating to the general economic and other conditions in geographical region where such customers are located. Any external risks including the regional economic downturn, imposition of countervailing duty or changes in the regulatory or trading environment in the USA, Europe and other overseas countries where our customer are located may materially and adversely affect our business and financial results. For details, see "*Risk Factors - A slowdown in our exports due to industry developments, tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations*" and "*Risk Factors - Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations*" on page 70 and 69.

2. ***We do not have long-term sales agreements with majority of our customers, and execute sales based on the purchase orders received from customers. With the absence of a long-term sales contract, there is no guarantee of continued business from the customers each year, and inability to retain our customers may result in adverse impact on our business and operations.***

We do not have firm commitment in the form of long-term supply agreements with majority of our customer groups and instead rely on purchase orders to govern the volume and other terms of our sales of products. However, such purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, our production schedules or inventory levels may be adversely affected. While we have supply agreements with certain customers which are typically entered into for a period of three years, there can be no assurance that upon expiry of such supply agreements, our customers will re-enter into such agreements with us in a timely manner and at terms favourable to us or at all. Consequently, there is no commitment on the part of our major customer groups to continue to place new purchase orders with us and as a result, our cash flow and consequent revenue may fluctuate significantly from time to time. Further, we may not find any other customers for the surplus or excess capacity, in which case we may be forced to incur a loss resulting in an adverse impact on our business, operations, and financial condition.

3. ***We depend on a few suppliers for the supply of electrical steel, our primary raw material. Further, we do not have long-term supply agreements with our suppliers for the supply of electrical steel. Any disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.***

We are a manufacturer of laminations, components and assemblies for motors and generators and precision machining components which are used in varied end-user industries, such as renewable energy, power generation, data centre, appliances and consumer segment, automotive, industrial and commercial segment, special purpose motors, mining, oil and gas, traction motors and railway components, amongst others. High quality electrical steel, specifically cold rolled non-grain oriented steel and cold rolled grain oriented steel, that meets our requirements is typically supplied by a limited number of suppliers, hence we rely on a few suppliers to supply electrical steel for our operations. Set forth below are the details of the contribution from our top 1 supplier, top 5 suppliers and top 10 suppliers to our expenses towards total raw material purchased.

(in ₹ lakhs, except percentages)

	For the year ended March 31, 2024		**For the year ended March 31, 2023**		**For the year ended March 31, 2022**	
Particulars	**Electrical Steel Purchased**	**As a % of the total raw material purchased**	**Electrical Steel Purchased**	**As a % of the total raw material purchased**	**Electrical Steel Purchased**	**As a % of the total raw material purchased**
Contribution from top 1 supplier	26,263.94	31.53%	24,986.10	33.34%	21,431.91	27.18%
Contribution from top 5 suppliers	72,328.86	86.84%	66,677.53	88.98%	65,426.89	82.96%
Contribution from top 10 suppliers	76,706.98	92.10%	69,723.73	93.05%	70,912.53	89.92%

Note: Top suppliers contributing to total raw material purchased for each of the respective years.

Any disruption in the operations of any of these suppliers, due to capacity limitations, industry shortages, labour or social unrest, weather emergencies, commercial disputes, government actions, riots, wars, pandemic, sabotage, cyberattacks, non-conforming parts, acts of terrorism, "Acts of God", financial or operational instability of suppliers, or other problems that our suppliers may experience, can lead to delays or interruptions in the supply chain, causing production slowdowns or halts.

For instance, during Fiscal 2022, the plants of certain of our suppliers could not operate at optimal capacity on account of the COVID-19 pandemic and the Russia-Ukraine War. We had to procure the raw material at a premium from the market. While our arrangement with the relevant customers allowed us to seek an upward revision in pricing, we cannot assure you that we will be able to enter into a similar arrangement with our customers in case of any disruption in the supply chain in the future. Further, our cash flows may still be adversely affected, despite the presence of such an arrangement, because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the prices for our customers, to account for the increase in the prices of such raw materials.

The loss of a significant supplier, or any labour issues or work stoppages at a significant supplier could also prevent our Company from delivering to its customers, or cause returns of products under warranty or product recalls. This would have a material adverse impact on our customer relations, reputation and business and generate additional costs for our Company such as increased transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition.

Further, as we generally have short term arrangements with our suppliers for a maximum period of one year, which may in certain circumstances be extended by mutual agreement, the success of our business is significantly dependent on maintaining good relationships with our suppliers. Absence of long-term supply contracts subject us to risks such as unavailability of raw materials in a timely manner or at all, commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation costs, changes in domestic as well as international government policies, and regulatory and trade sanctions. As a result, we continue to remain susceptible to the risks arising out of price fluctuations as well as import duties, which could result in a decline in our operating margins.

Our reliance on a select group of suppliers may also constrain our ability to negotiate our arrangements, which may have an impact on our ability to procure an uninterrupted supply of steel, which in turn may affect our profit margins and financial performance. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards.

4. ***The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position.***

Subsequent to March 31, 2024, our Company has completed acquisition of 100% of the equity shares of Bagadia Chaitra Industries Private Limited ("**BCIPL**") on May 6, 2024 from existing shareholders of BCIPL, pursuant to the share purchase agreement dated March 11, 2024 ("**Bagadia Acquisition**"). For further details, see "*Our Business*" on page 174. Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for such acquisitions and may not represent a comprehensive view of impact of the acquisition on our consolidated financial position and results of operations. Investors should make their own independent evaluations and should conduct their own investigation and analysis and obtain independent and specified advice from appropriate professional adviser, as they deem necessary in relation to the Issue.

Further, the financial statements of BCIPL have till date been prepared under Indian GAAP, and will accordingly have to be converted to IndAS, before being consolidated with the financial statements of our Company. These transition adjustments can potentially lead to a significant difference in reported figures of BCIPL and accordingly additional explanation or reconciliation disclosures may have to be included in the consolidated financial statements of our Company. Further, financial statements of BCIPL have been prepared historically in accordance with the Indian GAAP, and it may differ significantly from IndAS financial statements of BCIPL to be prepared going forward in accordance with applicable laws, rendering results of operations, cash flows and financial position as non-comparable. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures of BCIPL presented in this Preliminary Placement Document should accordingly be limited.

Set forth are the details of the audited standalone financial information of the BCIPL for Fiscals 2024, 2023 and 2022:

(in ₹ lakhs, unless otherwise indicated)

Particulars	**For the year ended March 31**		
	2024	**2023**	**2022**
Revenue from Operations	25,038.91	26,406.76	23,707.77
EBITDA	1,736.74	1,411.23	1,514.29
PAT	804.61	417.50	683.52
Net Worth	2,939.22	2,115.96	1,698.58
Capital Employed	5,372.60	4,175.98	4,860.95
EPS (in ₹)	26.00	13.49	22.11

5. ***The Bagadia Acquisition may fail to realise targeted synergies or other anticipated benefits which would adversely impact our business, results of operations, financial condition and prospects.***

Our Company acquired Bagadia Chaitra Industries Private Limited (BCIPL) with effect from May 6, 2024. BCIPL is a manufacturer of electrical laminations and aluminium die cast rotors with geographical exposure to the south Indian market. Accordingly, we intend to leverage the Bagadia Acquisition to broaden our presence in South India, add to our overall asset base and production capacity, and enter new end-user segments.

However, there can be no guarantee that we will realise any or all of the anticipated benefits from the Bagadia Acquisition, either in a timely manner or at all. In particular, our ability to realise anticipated benefits and the timing of this realisation may be affected by a variety of factors, including but not limited to:

- Challenges of entering a new geographical region and being exposed to uncertainties regarding market demand, customer preferences, competition, and regulatory environment.
- Competition from local incumbents in the South Indian region.
- Inability to retain the customer base of BCIPL.
- Inability to exploit savings on logistics and raw material costs.
- Inability to retain and/or replace key manpower of BCIPL.
- Unforeseeable events, including major changes in the industries in which our Company and BCIPL operate.

In addition, our ability to realise anticipated benefits may also be impacted by any of the other risks that we face individually as businesses as described in this Preliminary Placement Document. If the anticipated benefits that our Company expects are not realised or are delayed, our business, results of operations, financial condition and prospects could be adversely affected. Even if we are able to successfully integrate our businesses and operations, it may not be possible to realise the full benefits of the integration opportunities, the synergies that we currently expect to result from the Bagadia Acquisition, or realise these benefits within the time frame that we currently expect.

For the Issue, we have included certain information related to the BCIPL in the Preliminary Placement Document. We have completed Bagadia Acquisition recently and there may be unknown risks associated with BCIPL. Any discovery of adverse information concerning the Bagadia Acquisition may result in the information about it contained in this Preliminary Placement Document being inaccurate or inadequate and may materially and adversely affect our business, financial condition and results of operations.

6. ***We are in the process of undertaking a corporate reorganisation and amalgamating certain subsidiaries and promoter-held companies, into and with our Company, subject to necessary statutory/regulatory approvals under applicable law. Since the Scheme is subject to necessary statutory and regulatory approvals under applicable laws including approval of the NCLT, the timing of implementation thereof remains uncertain, and we cannot assure you that we will be able to realise targeted synergies from the proposed amalgamation.***

We intend to amalgamate Pitti Castings Private Limited (PCPL), our promoter-led group company, and Pitti Rail and Engineering and Components Limited (PRECL), our wholly owned subsidiary, into and with our Company, pursuant to the scheme of amalgamation between PCPL, PRECL, and our Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013, with an objective of vertically integrating our Company's supply chain (the "**Scheme**"). Pursuant to such amalgamation, PCPL and PRECL will stand dissolved.

There is no assurance that we will be able to successfully complete the merger within the proposed timelines, or at all. Further, there can be no assurance that any future application made by us to the any regulatory authority will not receive observations of non-compliance, or that the requisite approvals for the merger will be granted within the desired timelines, or at all.

PCPL and PRECL are being amalgamated into our Company with the object of vertically integrating the supply chain and simplifying the group structure of our Company. PRECL is the wholly owned subsidiary of our Company which doesn't have any active business operations.

PCPL is currently engaged in the business of manufacturing, repairing and dealing in iron and steel forgings, castings, plates and boilers. Our Company is a leading manufacturer of laminations, components and assemblies for motors and generators, fabrication, and precision machining components which are used in varied end-user industries, such as railways, renewable energy, automotive and electrical vehicles, industrial and automation, power, mining, amongst others. Our unified operations have enabled us to provide high-value added assemblies of stators and rotors which serve as extensive, comprehensive, and one-stop-shop engineering solutions. Castings is an integral part of our manufacturing operations. Most of our manufacturing processes have been established in-house, with the exception of castings, which is operated by PCPL. PCPL is one of our top 5 suppliers and we purchased ₹ 13,038.40 lakhs, ₹ 7,678.50 lakhs and ₹ 9,409.29 lakhs of our total purchase of raw materials during Fiscal 2024, Fiscal 2023 and Fiscal 2022, respectively from PCPL. Through the amalgamation of PCPL with our Company, we thereby intend to strategically integrate the castings business in our operations.

However, the amalgamation of PRECL and PCPL into and with our Company may involve several risks, including:

- difficulties assimilating and integrating our Company's operations with that of the amalgamated entities (including retaining key personnel of PRECL and PCPL under the management of our Company)
- inability to retain key clients of PCPL
- difficulties in evaluating the contractual, financial and other obligations and liabilities associated with the amalgamated entities, including the appropriate implementation of financial oversight and internal controls
- unanticipated liabilities or contingencies relating to the acquired entity
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, key accreditations, licenses and approvals from governmental and regulatory authorities and agencies, held by the amalgamated entities.

If we are unable to successfully amalgamate the business operations of our Company, we may not be able to realize all the benefits we currently expect as a result of the amalgamation. Any failure to realize the anticipated benefits in a timely manner, or at all, could have an adverse effect on our business, results of operations, financial condition and cash flows with consequential impact on financial statements.

Further, in case of approval of the Scheme, PCPL and PRECL will be integrated into our Company and the financial statements will accordingly be adjusted for the amalgamation. Audited Consolidated Financial Statements included in this Preliminary Placement Document do not currently account for this amalgamation and the indicative final group structure of our Company and may not represent a comprehensive view of impact of the amalgamation. Further, financial information in relation to PCPL as included in this Preliminary Placement Document have been derived from the audited financial statements of PCPL prepared in accordance with the Indian GAAP, and accordingly may not be comparable with financial statements of the Company prepared in accordance with IndAS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures of PCPL presented in this Preliminary Placement Document should accordingly be limited. Investors should make their own independent evaluations and should conduct their own investigation and analysis and obtain independent and specified advice from appropriate professional adviser, as they deem necessary in relation to the Issue.

7. ***PCPL, our group company, has significant power, LPG and other fuel requirements and any disruption to power, LPG or other fuel sources could increase its production costs and adversely affect its business, financial condition, cash flows and results of operations.***

PCPL is involved in the business of manufacturing iron and steel castings. It has an in-house foundry, a facility where metal casting processes are carried out. The foundry requires substantial power and fuel for its manufacturing operations, and energy costs represent a significant portion of the production costs for PCPL's operations. If energy costs were to rise, or if electricity or supply arrangements were disrupted, PCPL's profitability could be affected. Set forth below are its power and fuel expenses for the years indicated:

As of / For the Year ended March 31, 2024		**As of / For the Year ended March 31, 2023**		**As of / For the Year ended March 31, 2022**	
Power and Fuel Expenses (₹ lakhs)	**Percentage of total expenses**	**Power and Fuel Expenses (₹ lakhs)**	**Percentage of total expenses**	**Power and Fuel Expenses (₹ lakhs)**	**Percentage of total expenses**
2,506.60	14.47%	2,279.46	15.81%	1,166.95	8.47%

PCPL business is deeply power intensive and can't be run on DG sets or any other alternate source of power back-ups. It requires direct and continuous power supply. Interruptions of electricity supply can result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. While there have been no material instances of interruption of electrical supply in last three Fiscals, however, PCPL had encountered the material disruption in its operations on account of severe power shortage in Andhra Pradesh in 2012-13, which resulted in material adverse impact on its financial condition. Due to the delays caused in stabilisation of its manufacturing operations, PCPL was unable to generated sufficient cash flows to service its debt obligations. It mostly relied on unsecured loans from its promoters for debt servicing. We cannot assure you that a similar incident will not happen in the future. Additionally, in case the cost of electricity from state electricity boards is increased significantly and PCPL is not able to pass on such increase to its customers, its cost of production and profitability will be adversely affected. Any significant increase in power price or increased interruptions may require PCPL to add captive power generation capacity which will lead to incremental capital expenditure which may adversely impact its results from operations.

Further, LPG is used extensively in the operations of the foundry in areas such as mould drying, pre-heating, thermal reclamation of sand, heat treatment, etc. and it is not replaceable by any other fuel or energy source. Sand is also a key raw material used in the production of moulds. However, in the past, due to the environmental concerns and other external factors beyond the control of PCPL, there were interruptions in the supply of sand, which adversely impacted PCPL's operations. A decision was accordingly made to establish a thermal reclamation facility wherein LPG was used to recycle the sand used in PCPL's manufacturing operations, thereby increasing the dependency on LPG and making it a major and critical fuel component used in the manufacturing of iron and steel castings. While PCPL have entered into a long term contract with a private player for procurement of LPG which is valid for a period of 10 years ("**LPG Contract**"), however we cannot assure that LPG Contract will be renewed at commercially acceptable terms or at all. Further, LPG Contract may be required to be assigned in the favour of the Company pursuant to approval of Scheme, and we cannot assure that such LPG Contract will be assigned in the favour of Company. In the event, we are unable to renew or assign the LPG Contract in favour of our Company or make alternate arrangements at reasonable cost or at all, our supply of

LPG may be disrupted causing an adverse impact on business and operations of PCPL consequently resulting in an adverse impact on our financial position, business and operations.

8. ***Geographical concentration of our manufacturing facilities may restrict our operations and adversely affect our business and financial condition. Any adverse circumstances including social unrest, natural disaster or breakdown of services and utilities in the areas we operate, may affect our business and operations adversely***

We substantially operate our engineering business, including our manufacturing processes, out of and around principal manufacturing facilities that are located at Hyderabad and Aurangabad in India. Set forth below are the details of the revenue contributed by each of the manufacturing facilities for the periods indicated below:

(in ₹ lakhs, except percentages)

	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	**Amount**	**As a % of the Revenue from operations**	**Amount**	**As a % of the Revenue from operations**	**Amount**	**As a % of the Revenue from operations**
Revenue generated from the manufacturing facilities located in Telangana	65,684.76	54.66%	54,463.56	49.50%	43,550.75	45.66%
Revenue generated from the manufacturing facilities located in Maharashtra	54,474.88	45.34%	55,553.59	50.50%	51,831.63	54.34%

If our existing manufacturing facilities are harmed or rendered inoperable by factors such as increased competition as more players enter into these geographies, general economic conditions, laws and regulations, natural or man-made disasters, including earthquakes, fire, floods, acts of terrorism, pandemic and power outages, social unrest, political or social instability or any other adverse circumstances, it may render it difficult or impossible for us to efficiently operate our business for some time, or require us to shut major part of our operations, which may adversely affect our business, financial condition, result of operations and cash flows. While there have been no such incidents in past three financial years in the areas where our manufacturing facilities are located which have resulted in an adverse impact on our business, operations, cash flows or financial position or have rendered our manufacturing facilities inoperable. However, we cannot assure you that any such event including future force majeure instances if occurs in future, will not have a material adverse effect on our business, financial condition, results of operation. Further, in the event of any force majeure instance, we may be required to re-locate our production line in so far as it extends to the products being manufactured, and such re-location may involve a significant capital expenditure and time resulting in loss of business and an adverse effect our operations and financial condition. We cannot assure you that we will be able to find any suitable alternative for our facilities, on terms favorable to us, or at all.

Our Company is engaged in manufacturing of complex and critical rotating electrical equipment and machined components which caters to requirements of precision engineering and machining for diversified set of industries, and accordingly we are required to conduct our operations in compliance with international standards and certifications for our products and processing capabilities. Any relocation of manufacturing facility or production line may require us to ensure compliance with such standards and certifications, and any such relocation may also be subject to prior approval of our customers. Any products manufactured in relocated facility may further required to be approved by the customer for quality standards. We cannot assure you that we will be able to seek approval of our customers or get certifications for relocated facility in time or at all, failure of which may result in an adverse impact on our business, operations, financial condition and cash flows.

9. ***Development of technologically advanced product offerings involves a lengthy and expensive process with uncertain timelines and outcomes. We may be unsuccessful in innovating or developing technologically advanced product offerings or may be unable to add to our existing capabilities, which could adversely affect our business, results of operations and cash flows. Further, any changes in technology may render our current technologies obsolete or require us to make substantial capital investments***

Our future growth depends on our ability to continue to develop and commercialize innovative, viable and sustainable product offerings, customised as per our customers' requirements, in a timely and cost-effective manner. The development and commercialization of new product offerings is complex, time-consuming and costly, and its outcome is inherently uncertain. The end-user industries we primarily cater to, are characterized by rapid and frequent advancements in technology and changes in market demand can often render existing technologies and equipment obsolete and could require substantial new capital expenditures or subject us to write-offs.

Due to the long lead times associated with development for many of the technologically advanced product offerings, as well as the competitive advantage that can come from being the initial developer of a new customised product offering, it is important that we maintain a sufficiently large portfolio of components and a product pipeline and manage their development processes so as to bring our product offerings to market on a timely basis.

The launch of a new product offering is a complex process, the success of which depends on a wide range of factors, including the production readiness of our manufacturing facilities and manufacturing processes and those of our suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Production shortfalls or production delays, if any, or our inability to accurately estimate the cost to design, develop and launch new product offerings could result in our failure to effectively manage our manufacturing costs relating to these product program launches.

We are constantly innovating and adapting and believe that our future success will depend on our ability to adapt and innovate. We believe that to attract new customers and increase revenue from our existing customers, we will need to enhance and improve our current product pipeline on an ongoing basis and introduce new product offerings based on continuing changes in technology, industry standards and client preferences. Due to the inherent limitations in such a process, the new product offerings that we seek to develop may not be introduced in a timely or cost-effective manner and may contain errors or defects.

In order to achieve future growth, we may be required to accurately assess new markets, develop new product offerings, identify and enter into supply agreements with new customers in such industries/ markets, obtain sufficient financing for our expected capital expenditure, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. If we are unable to execute or manage our strategies effectively, our business and financial results will be adversely affected. For further details, see "***Our Business –Our Strategies***" on page 184.

Further, we cater to requirements of precision engineering and machining in diversified set of industries which requires us to innovate and keep up with technological advancements. Although we strive to maintain and upgrade our technologies, facilities and machinery, however we are susceptible to risk of such technologies, facilities and machinery becoming obsolete. Further, the cost of implementing new technologies and upgrading our manufacturing facilities could be significant, which could adversely affect our cash flows, business, results of operations and financial condition. Any delay or failure to adapt technological advancements or upgrade our machining or engineering capabilities may impact our ability to develop innovative, viable and sustainable product offerings, in a timely and cost-effective manner and sustain growth of our business and existing product portfolio, which could result in an adverse impact our business, results of operations, financial condition and cash flows.

10. ***The global scope of our operations exposes us to risks of doing business in foreign countries, including the constantly changing economic, regulatory, social and political conditions in the jurisdictions in which we operate and seek to operate, which could adversely affect our business, financial condition and results of operations.***

Set forth are the details of our revenue from operation from outside India for each of the corresponding periods:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	(in ₹ lakhs)	% of revenue from operations	(in ₹ lakhs)	% of revenue from operations	(in ₹ lakhs)	% of revenue from operations
Revenue from Contract with Customers Outside India	43,447.07	36.16%	37,051.04	33.68%	29,611.96	31.05%

As of March 31, 2024, we served customers in over 8 countries including United States of America, Mexico, Brazil and Germany. Our business is accordingly subject to diverse and dynamic economic, regulatory, social and political conditions in the jurisdictions in which we operate. Operating in international markets exposes us to a number of risks globally, including, without limitation:

- changes in international tariffs, trade relations and policies, including renegotiated trade agreements, import and export license requirements, anti-dumping policies and imposition of tariffs that make unjustified, unreasonable or discriminatory trade actions impacting the countries in which we have a presence
- compliance with local laws and regulations (including imposition of non-tariff barriers), which can be onerous and costly as the magnitude and complexity of, and continual amendments to, those laws and regulations are difficult to predict, and the liabilities, costs, obligations and requirements associated with these laws and regulations can be substantial;
- inability to secure any license, certification, registrations and permits that may become necessary in other jurisdictions to which we export our products, in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties;
- difficulties with local operating and market conditions, particularly regarding customs, taxation and labour;
- currency exchange rate fluctuations; and
- economic and financial conditions, including the stability of credit markets and controls, particularly the ability to repatriate funds to India and other countries

While, we have not encountered any embargo by the countries to which we export our products in last three fiscals, however we cannot assure you that we will not be subject to any restrictions or prohibitions on export or trade in future. In addition, political activities within the countries where we conduct business could also adversely impact our ability to operate in those countries. To the extent that our operations are affected by unexpected and adverse economic, regulatory and social and political conditions in the countries in which we operate, we may experience operational disruptions, loss of assets and personnel and other indirect losses that could materially and adversely affect our business, financial condition and results of operations.

11. ***Failure or disruption of our information and technology ("IT") and/ or enterprise resources planning systems may adversely affect our business, financial condition, results of operations and future prospects.***

Our Company has been embarking on digitization initiatives both in the office place and shopfloor. Notable changes include automation / robotics and IOT device connectivity in manufacturing plants. While these digitization initiatives favourably affect the achievement of desired efficiencies, they also bring with them potential risks if not correctly implemented.

Since we operate multiple platforms, the failure of our IT infrastructure and/ or our enterprise resources planning systems could disrupt our business and adversely affect our results of operation. While our information security management system is compliant with the ISO 27001:2022 standard for information security, cybersecurity and privacy protection, however our IT infrastructure and/or our enterprise resources planning systems remain vulnerable to damage or interruption from, amongst others, natural or man-made disasters, terrorist attacks, computer viruses or hackers, power loss, other computer systems, internet telecommunications or data network failures. Any such interruption could adversely affect our business and results of operations.

Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error) may affect our ability to plan, track, record and analyse work in progress and revenue, process financial information, manage our creditors, debtors and hedging positions, or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and future prospects.

12. We import part of our machinery from overseas and the same is subject to certain risks which may adversely affect our business, results of operations, financial condition and cash flows.

We import part of machinery from overseas for our business and operations. We import our lamination equipment machines for our machined component vertical from certain companies located overseas including China, Japan and Germany. The table below provides cost of machinery imported (*CIF (Cost, insurance and freight) value*) as a percentage of our total capital expenditure incurred in the years indicated:

For the Year ended March 31, 2024		For the Year ended March 31, 2023		For the Year ended March 31, 2022	
Cost of machinery imported (₹ lakhs)	Percentage of total capital expenditure	Cost of machinery imported (₹ lakhs)	Percentage of total capital expenditure	Cost of machinery imported (₹ lakhs)	Percentage of total capital expenditure
4,598.62	21.96 %	5,155.60	48.05 %	3,122.48	40.11%

Note: Capital Expenditure comprises payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress, intangible assets under development and capital advance).

Importing such machinery entails several risks and challenges that could adversely affect our business, results of operations, financial condition and cash flows, such as changes in government policies or trade agreements could lead to increased tariffs or import restrictions, resulting in higher costs or difficulties in importing machinery which could lead to a delay in our operations, impact our production schedules and overall business operations.

For instance, China recently revised its catalogue of technologies prohibited or restricted from export (*Source: F&S Report*). While the manufacturing tools that we currently procure from China are not subject to such restrictions *Source: F&S Report*), there can be no assurance that they will not be restricted in the future. In the event the catalogue is revised further to include the technologies and tools Pitti Engineering use in their operations and procure from China, Pitti Engineering may be unable to successfully source these technologies and tools from alternate vendors at comparable prices or with comparable performance capabilities, which could ultimately impact their capital cost and adversely impact their profitability.

Additionally, most of the machinery used in our machined components vertical are also subject to export control in the countries of origin. Import of machines from Japan requires approval from its Ministry of Economy, Trade, and Industry and from Germany requires the approval from its Federal Office for Economic Affairs and Export Control (*Source: F&S Report*). Approval granted by such regulatory authorities are typically subject to compliance of certain conditions inter-alia intended installation location of such machines, and end use restrictions of such machines (*Source: F&S Report*). Any non-adherence of these conditions or breach of such restrictions may render our machines inoperable, resulting in material adverse impact on our production capacity, business, operations, and financial condition. Germany, for instance, as part of the European Union, follows regulations concerning "dual use" goods, which are goods and technologies that can have both civilian and military applications (*Source: F&S Report*). Export of dual-use goods is controlled to prevent their use in weapons of mass destruction or military applications (*Source: F&S Report*). Exporters from Germany are thereby required to ensure that their exports are not used for purposes that could threaten regional or international stability, violate human rights, or contribute to the proliferation of weapons of mass destruction. (*Source: F&S Report*)

Furthermore, political, economic, or logistical disruptions in the country of origin could also lead to delays in delivery, interruptions in the supply chain, or challenges in obtaining technical support which could impact our production schedules or result in a loss of business opportunities. Any of these risks could disrupt our operations, and ultimately, adversely affect our business, results of operations, financial condition and cash flows.

13. We have substantial capital expenditure and working capital requirements and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.

Our business is capital intensive. We have expanded and upgraded our existing manufacturing facilities in the last three Fiscals. The following tables set forth details of our capital expenditure as a percentage of gross block in the years/ periods indicated:

As of / For the Year ended March 31, 2024		As of / For the Year ended March 31, 2023		As of / For the Year ended March 31, 2022	
Capital Expenditure * (₹ lakhs)	Percentage of the Gross Block**	Capital Expenditure* (₹ lakhs)	Percentage of the Gross Block**	Capital Expenditure * (₹ lakhs)	Percentage of the Gross Block**
21,459.00	29.17%	9,634.00	17.52%	7,690.70	17.43%

**Capital Expenditure comprises payments for acquisition of property, plant and equipment and intangible assets (including capital work in progress, intangible assets under development and capital advance).*

***Gross Block comprises cost of property, plant and equipment, capital work-in-progress, cost of intangible assets and intangible assets under development.*

We typically rely on internal accruals as well as credit facilities with banks to provide for our working capital arrangements. The table below sets forth details of certain parameters as of the dates indicated:

(₹ in lakhs, unless otherwise specified)

S. No.	Particulars	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
1.	Inventories	27,019.95	23,931.40	27,228.71
2.	Trade receivables	21,039.22	18,144.63	20,426.46
3.	Trade payables	22,755.17	25,130.34	22,021.70
4.	Inventory days(1)	77	85	82
5.	Debtor days(2)	60	64	72
6.	Creditor payable days(3)	95	107	71

Note:

(1) Inventory days is calculated as 365 days divided by inventory turnover ratio. Inventory turnover ratio is calculated by dividing revenue from operations as disclosed in the Audited Consolidated Financial Statements and average inventory. Average inventory is the average of opening and closing inventory as disclosed in the Audited Consolidated Financial Statements.

(2) Debtor days is calculated as 365 days divided by debtor turnover ratio. Debtor turnover ratio is calculated by dividing revenue from operations by average debtor, where average debtor is the average of opening and closing debtors as disclosed in the Audited Consolidated Financial Statements.

(3) Creditor payable days is calculated as 365 days divided by creditor turnover ratio. Creditor turnover ratio is calculated by dividing total purchases (includes raw material, consumables and other incidental expenses like freight inward and outward etc) divided by average creditor, where average creditor is the average of opening and closing creditors as disclosed in the Audited Consolidated Financial Statements.

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the industries we operate.

Our sources of additional capital, where required to meet our capital expenditure plans or funding working capital requirement, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. As of March 31, 2024, we have total outstanding borrowings of ₹ 53,668.63 lakhs and our debt/equity ratio is 1.29. Further, our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. If we are required to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

14. ***We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation, our business, cashflow and results of operations and future prospects.***

We are engaged in the manufacturing and supply of critical and complex products which are required to meet precise and specific requirements including in terms of quality, measurements and tolerances. Given the nature of our products, services and the sector in which we operate, our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as a defect in the specialised machined components and other products manufactured by our Company or failure to comply with the design specifications of our customers may, in turn, lead to the manufacture of faulty products by our major customer groups. This may lead to the cancellation of existing and future orders, result in us incurring costs for repairing or replacing defective products as well as conducting product recalls and paying warranty and liability claims, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, in the event, any of our products do not adhere to our major customer groups specifications, we may be required to bear any loss due to assembly line stoppage at our customers' production units. Costs of assembly line stoppage are significant, and should we be required to bear such cost; our financial conditions would be adversely affected.

Our agreements with customers or purchase orders issued by them, have standard liability clauses in relation to quality and delivery of our products, which ordinarily do not have any limits. Accordingly, we are required to provide warranty for such quality and delivery related obligations, which may or may not be capped in terms of time or monetary value. Further, the supply of defective products may result in our customers initiating litigation against us, which could materially harm our reputation, business, financial condition, cash flows and results of operations.

While there have been no material instances in the last three Fiscals wherein our Company had to recall its products or were required to pay warranty or liability claims, however we had been subject to such liability in the past. For instance, during Fiscal 2010, our Company had to pay one of its customers an amount of USD 1.20 million for repair procedures, actual repairs and other associated costs pursuant to a product damage claim raised, which had an adverse impact on our cash flows. We cannot assure you that our Company will not be subject to such claims in the future. Even though we have put in place quality control procedures, we cannot assure you that our products will always be able to satisfy our customers' quality standards. Our quality control procedures may fail to test for all possible conditions of use or identify all defects in the design, engineering or specifications of the components.

Further, our customers generally have the right to inspect and audit our units, processes and products after reasonable notice to ensure that our services are meeting their internal standards. Most of our customers routinely inspect and audit our units. If we fail to perform our services in accordance with best practices stipulated by our customers and/or our customers are dissatisfied with the quality of our units in any manner, our reputation could be harmed and our customers may invalidate our registration, preferred status or terminate/modify their contractual arrangements and/ or refuse to renew their contractual arrangements or purchase orders. This may have an adverse impact on our business, financial condition, results of operations and future prospects.

Additionally, we may be subject to liability claims by third parties if the use of any of our products results in personal injury or property damage, which could adversely affect our reputation and business and, to the extent not covered by insurance, our results of operations, financial condition and cash flows. While we have obtained a general liability policy ("**GLP**") which also covers for product liability insurance, however we cannot assure you that any successful assertion of a product liability claim against us would be sufficiently covered by such policy and Company may be liable to compensate for any additional monetary damages not insured under GLC. We cannot guarantee that we can continue to comply with all regulatory requirements, or the quality standards required by our customers and there can be no assurance that no product liability claim will arise in the future.

15. Our business and profitability are substantially dependent on the availability and cost of electrical steel, our primary raw material and any disruption to the timely and adequate supply of electrical steel, or volatility in the prices of electrical steel may adversely impact our business, results of operations, cash flows and financial condition

Electrical steel, our primary raw material, is a specialized type of steel designed for use in rotating electrical equipment and other electrical devices. It exhibits specific magnetic properties that make it particularly well-suited for applications where efficient energy transfer and minimal energy loss are critical. It is an integral part of our manufacturing operations, which require high quality steel of certain technical specifications.

The table below provides cost of raw materials consumed as a percentage of our total expenses in the years indicated:

For the Year ended March 31, 2024		For the Year ended March 31, 2023		For the Year ended March 31, 2022	
Cost of raw material consumed (₹ lakhs)	**Percentage of total expenses**	**Cost of raw material consumed (₹ lakhs)**	**Percentage of total expenses**	**Cost of raw material consumed (₹ lakhs)**	**Percentage of total expenses**
80,040.96	70.96%	78,143.23	75.28%	69,425.51	77.17%

While electrical steel offers numerous advantages and is crucial for our manufacturing operations, there are certain risks associated with its availability, which include amongst others, the following:

- **Supply chain disruptions:** Electrical steel is produced by a limited number of manufacturers worldwide who specialize in its production. Any disruptions in supply chain of electrical steel manufacturers, such as raw material shortages, production issues, or transportation delays, can lead to supply shortages of electrical steel. For details, see "*Risk Factor - We depend on a few suppliers for the supply of electrical steel, our primary raw material. Further, we do not have long-term supply agreements with our suppliers for the supply of electrical steel. Any disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.*" on page 38.
- **Geopolitical factors:** Political tensions, trade policies, and international disputes can affect the availability of electrical steel. Export restrictions, tariffs, or sanctions imposed by exporting countries can disrupt supply chains and limit access to critical materials.
- **Technological Advancements:** The demand for electrical steel is influenced by technological advancements in energy generation, transmission, and electric vehicle (EV) manufacturing. Rapid advancements in these sectors can create sudden spikes in demand, potentially outstripping supply capabilities.
- **Environmental Regulations:** Production of electrical steel involves energy-intensive processes and may be subject to environmental regulations and sustainability standards. Compliance with stringent environmental laws can impact production volumes and availability.
- **Long Lead Times:** The manufacturing of electrical steel involves complex processes and may have longer lead times compared to other materials. This characteristic can exacerbate supply shortages during periods of high demand or unexpected disruptions.

Electrical steel can also be subject to price fluctuations due to changes in raw material prices, market demand, or geopolitical factors. Our inability to pass through steel costs or otherwise mitigate impact of such price fluctuations could adversely affect our business. From time to time, commodity prices may also fluctuate. If this happens, suppliers may withdraw capacity from the market until prices improve which may cause periodic supply interruptions.

If these supply interruptions occur, our costs for procuring our primary raw material could increase, and our business, cash flows and results of operations could be adversely affected. Any increase in prices of steel could have an impact on our working capital as we would require additional funds to procure the necessary steel at the higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase of steel can potentially strain our working capital availability.

16. We are dependent on our employees, and the loss of, or our inability to hire and retain qualified personnel, along with the lack of specific formal training institutes for our employees, could adversely affect our business, results of operations, cash flows and financial condition

Our ability to profitably operate is substantially dependent upon our ability to locate, hire, and retain our personnel. Many of our personnel possess skills that would be valuable to other companies engaged in one or more of our business lines. Whilst we offer compensation in line with the demand for such skills, some of our competitors may be able to pay our employees more than we are able to pay to retain them.

Although we may not have experienced significant difficulty locating, hiring, or retaining our employees to date, there can be no assurance that we will be able to retain our current personnel, or that we will be able to attract and assimilate other qualified personnel in the future. Our inability to recruit and retain qualified and experienced staff may limit our competitiveness, interrupt our operations and/or cause customer dissatisfaction, any of which could reduce our revenue and profitability.

Furthermore, since there are no specific training institutes designed to train people in the lamination industries, most of our employees acquire the necessary expertise and skill on the job. Without standardized training materials or curriculum from a recognized institute, the quality and consistency of training may vary. Employees may receive different levels of instruction depending on the skills and experience of their supervisors. On-the-job training also relies heavily on the availability and expertise of internal supervisors or mentors. If these resources are limited or if turnover occurs among experienced staff, there may be challenges in maintaining consistent training practice. Additionally, as we scale up, we may face challenges in accommodating larger numbers of new hires. This can result in delays in training new employees or integrating them into new positions effectively. Shortage of trained and skilled manpower may result in slower development of products, inability to detect quality defects and scale up production which could have a material adverse impact on our customer relations, reputation and business.

17. ***We are subject to environmental, health and safety laws and regulations, along with customer-imposed environmental, health and safety standards, and any failure to comply with any current or future laws or regulations or customer requirements could have a material adverse effect on our business, financial condition and results of operations.***

Manufacturing sites by nature may be hazardous. Our sites often put our employees and others in close proximity with large pieces of mechanized equipment, chemical and manufacturing processes, heavy products and items and other regulated materials. As a result, we are subject to a variety of health and safety laws and regulations, and customer-imposed standards, dealing with occupational health and safety. These regulations and customer requirements may require us to make changes to our existing operations to limit any adverse impact or potential adverse impact on the health and safety of our workforce, and any violation of these regulations or customer requirements, whether or not accidental, may result in substantial fines, criminal sanctions, revocations of operating permits or other penalties. While we ensure we implement effective work procedures throughout our organization and take other steps to ensure the health and safety of our work force, there can be no assurance these measures will be successful in preventing injuries or violations of health and safety laws and regulations. Any failure to maintain safe work sites or violations of applicable law and customer requirements could expose us to significant financial losses and reputational harm, as well as civil and criminal liabilities, any of which could have a material adverse effect on our business, financial condition and results of operations.

Additionally, the regulatory authorities may implement measures towards the adoption of more stringent environmental, health and safety regulations. Our customers may also voluntarily implement more stringent environmental standards, due to the current impetus and focus on sustainability. We cannot assure you that we will be in full compliance with these regulatory requirements and customer-imposed standards, at all times. Due to the possibility of unanticipated regulatory and jurisdictional developments, the amount and timing of future expenditure to comply with regulatory and customer requirements may vary substantially from the scenario. If there is any unanticipated change in the environmental, health and safety regulations and customer standards we are subject to, we may need to incur substantial expenditure to comply with such new regulations and requirements. Our costs of complying with environmental, health and safety laws, and any customer-imposed environmental, health and safety standards, and any liabilities arising from failure to comply with applicable regulatory and customer requirements may adversely affect our business, financial condition and results of operations.

For instance, we have to comply with changing global emission standards, as per our customer requirements, which is an essential pre-requisite for obtaining the purchase orders, and can be onerous and costly and we may face certain challenges if our international customers implement the onerous Scope 3 reporting requirement, prescribed under the Greenhouse Gas Protocol, a widely recognized accounting framework for GHG emissions reporting, for their manufacturing operations.

Scope 1, Scope 2 and Scope 3 emissions are three categories of greenhouse gas (GHG) emissions used in corporate reporting to assess and disclose an organization's environmental impact.

- Scope 1 emissions refer to direct GHG emissions from sources that are owned or controlled by the reporting entity.
- Scope 2 emissions encompass indirect GHG emissions associated with the generation of purchased or acquired electricity, steam, heating, or cooling consumed by the reporting entity. Our manufacturing operations are generally covered under Scope 2 emissions.

- Scope 3 emissions represent all other indirect GHG emissions that occur throughout an entire organization's value chain, including both upstream and downstream activities that are not captured in Scope 1 or Scope 2 emissions. This standard will also take into account the emission standards of the supplier's vendors and directly brings our suppliers in its ambit.

Our customers implementing the Scope 3 emission would thereby entail us collecting the necessary emissions data from our suppliers, subcontractors, and other business partners ("**Third Party Suppliers**"), and also ensure that such Third Party Suppliers are in compliance with emission norms, which would be particularly challenging since we would have limited visibility or influence over them. Scope 3 implementation would further impose a significant challenge of restructuring our relationship with existing partners and in the event such suppliers are unable to upgrade their operations in consonance with requirement of Scope 3 emissions, we may be required to identify and onboard such third party suppliers and business partners across our value chain, which comply with such stringent emission norms, have adequate technical and financial capabilities to cater our requirements of products and services, and are commercially viable for our operations. We cannot assure you that we will be able to find alternate Third Party Suppliers as per requirements of our customers, or at all. Further, the steel industry, in which our supply chain partners operate, involves energy-intensive processes which generally have environmental implications such as greenhouse gas emissions, water pollution, and waste generation. For details on our dependence on key suppliers, see "*Risk Factors - We depend on a few suppliers for the supply of electrical steel, our primary raw material. Further, we do not have long-term supply agreements with our suppliers for the supply of electrical steel. Any disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.*"

Adoption of Scope 3 emission standards by our customers may pose a significant risk on our business and operations and we cannot assure you that we will be able to meet such requirements in the time and in manner, as required by our customers. Further, we heavily rely on our certain key customers for our revenue and any inability to effectively manage or adopt Scope 3 emission norms, as and when made applicable by our respective customers, may even result in losing such key customers resulting in an adverse impact on our business, operations, cash flows and financial condition.

If we fail to effectively enable our customers to manage and report Scope 3 emissions, we may face competitive disadvantages compared to peers that demonstrate strong environmental performance and sustainability commitments. Since our customers at times prioritize environmental considerations in their decision-making processes, they may favour companies with robust emission reduction strategies, transparent reporting practices, and demonstrated environmental stewardship. Any adverse development with such customer groups may result in us experiencing significant reduction in our orders, revenue, cash flows and liquidity.

18. We are required to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business, and if we fail to do so, in a timely manner or at all, we may be unable to fully or partially operate our business and our results of operations may be adversely affected.

Our business and operations are subject to a number of approvals, licenses, registrations and permissions for construction of our manufacturing facilities and operating our businesses and such manufacturing facilities, in addition to extensive government regulations for protection of the environment and occupational health and safety, and those governing the generation, transportation and disposal of, environmental pollutants or hazardous materials resulting from our production units.

Some of these licenses may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements. Additionally, we are subject to certain other terms and conditions stipulated under the approvals or licenses held by us. We cannot assure you that the renewal or obtaining of certain of these approvals/ licenses or the conditions suffixed to such approvals may be completed by us in a timely manner or at all, for us to not face or be subject to any adverse effect on our business plans and results of operations. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

In addition, we have and may need to in the future, apply for certain additional approvals. There is no assurance that such approvals and licenses will be granted or renewed in a timely manner or at all by the relevant governmental or regulatory authorities. Failure to obtain such approvals and licenses in a timely manner would make our operations non-compliant with applicable laws and may result in the imposition of penalties by relevant authorities and may also prevent us from carrying out our business. Any failure to comply with existing regulations, or any change in existing regulations, or introduction of any new regulations and compliance requirements, could also subject us to penal actions including termination of our business and monetary fines and/or increase our compliance costs and in turn, adversely affect our business or results of operations. We also cannot assure you that the approvals, licenses, registrations or permits issued to us may not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

19. ***Our Company and Subsidiaries are involved in certain legal and other proceedings and there can be no assurance that our Company and/or Subsidiaries will be successful in any of these legal actions. In the event our Company and/or Subsidiaries are unsuccessful in any of the disputes, our business and results of operations may be adversely affected.***

There are outstanding legal and regulatory proceedings involving our Company and Subsidiaries which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution.

The summary of such outstanding legal and regulatory proceedings as on the date of this Preliminary Placement Document is set out below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Material civil litigations	Aggregate amount involved (₹ in lakhs)^
Company					
By the Company	1	NA	NA	NA	NA
Against the Company	NA	8	NA	NA	1,004.53
Subsidiaries					
By Subsidiaries	NA	NA	NA	NA	NA
Against Subsidiaries	NA	NA	NA	NA	NA

^*To the extent ascertainable*

The amounts claimed in these proceedings have been disclosed in the section "*Legal Proceedings*" on page 251 to the extent ascertainable and quantifiable and include amounts claimed jointly and severally by or from our Company and other parties. We cannot assure you that any of these on-going matters will be settled in favour of our Company or Subsidiaries, or that no additional liability will arise out of these proceedings. Further, we cannot assure you that there will be no new legal and regulatory proceedings involving our Company, our Subsidiaries or our Promoter or Directors in the future. Any unfavorable decision in connection with such proceedings, individually or in aggregate, could adversely affect our reputation, business, financial conditions, and results of operations.

20. ***Our failure to comply with financial and other negative covenants under our loan agreements may materially and adversely affect our financial condition, results of operations, cash flows and business prospects***

As of March 31, 2024, we have total outstanding borrowings of ₹ 53,668.63 lakhs. Our financing agreements contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We are required to obtain prior approval from certain of our lenders, as well as send prior intimation to certain of our lenders for, among other things:

- Effecting any changes to capital structure and shareholding pattern of our Company (including any consequent dilution of the current shareholding of promoters)
- Prepayment/repayment of outstanding loan obligations
- effecting any changes in the management control
- opening new bank accounts with respect to the Issue

We have applied to our lenders, and we have received consents from the relevant lenders, to the extent required, in relation to this Issue. Any failure, in the future, to comply with the restrictive negative conditions and covenants in our financing agreements that is not waived off or consented to by our lenders could lead to an event of default and the consequent termination of our credit facilities could adversely affect our business, results of operations, financial condition, and cash flows.

Under these agreements, certain lenders also require us to maintain certain financial ratios. A failure to observe the financial and restrictive negative covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities and the enforcement of any security provided. Pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated or any security created under such agreements enforced, we may have to dedicate a substantial portion of our cash flows towards payments under such financing documents, thereby reducing the amounts available for working capital, capital expenditure and general corporate purposes. Additionally, during any period in which we are in default, we may be unable to raise, or may face difficulties raising, further financing. In addition, we cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. We may also need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

21. We have contingent liabilities, and our financial condition could be adversely affected if any of these contingent liabilities materialise

The following table sets forth our Company's contingent liabilities as of March 31, 2024:

Particulars	**Amount (in ₹ lakhs)**
Claims against the company not acknowledged as debts:	
a)Disputed liabilities not adjusted as expenses in the accounts for various years being appeals towards:	
Income tax	966.46
Service Tax	68.55
Goods & Service Tax	21.47
b) **Income Recognized against the scrip generation (under RodTEP scheme) and pending for generation of EBRC**	154.70
c) Duty payable in case of non-performance of Export Obligation in future periods against EPCG License	235.60
Total	**1,446.78**

For further details, please see- "*Financial Statements-Contingent Liabilities and Commitment*" on page 301. We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialise, our financial condition and results of operation may be adversely affected.

22. We are exposed to foreign currency exchange rate fluctuations, which may adversely affect our results of operations and cause our quarterly results to fluctuate significantly

We derive revenue from our customers outside India. As of March 31, 2024, we served customers in over 8 countries including United States of America, Mexico, Brazil and Germany. Set forth are the details of our revenue from operation from outside India for each of the corresponding periods:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(in ₹ lakhs)	**% of revenue from operations**	**(in ₹ lakhs)**	**% of revenue from operations**	**(in ₹ lakhs)**	**% of revenue from operations**
Revenue from contract with customers outside India	43,447.07	36.16%	37,051.04	33.68%	29,611.96	31.05%

Further, we import part of machinery from overseas for our business and operations. For details, see "*Risk Factors - We import part of our machinery from overseas and the same is subject to certain risks which may* *adversely affect our business, results of operations, financial condition and cash flows.*"

Revenue derived from customers outside India and import of machineries for our business and operations, amongst others, exposes us to foreign exchange related risk arising on account of fluctuations in rates of foreign currency.

For example, during times of strengthening of the Indian Rupee, we expect that our revenue from offerings overseas will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our business, results of operations, financial condition and cash flows in any given financial period due to other variables impacting our business, results of operations, financial condition and cash flows during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our business, results of operations, financial condition and cash flows. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards. The exchange rate between the Indian Rupee and foreign currencies, has fluctuated in the past and our business, results of operations, financial condition and cash flows have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future.

Set forth are the details of our total foreign exchange gain/(loss) in the corresponding periods.

(in ₹ lakhs, unless otherwise specified)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Exchange fluctuation (gain)/loss	156.26	627.11	92.79

We cannot predict the effects of exchange rate fluctuations upon our future operating results because of the variability of currency exposure and the potential volatility of currency exchange rates. Therefore, changes in the exchange rate between the Rupee and the U.S. dollar and other non-Rupee currencies may have an adverse effect on our income which in turn may adversely affect our business, results of operations and financial condition. Further, while we seek to partly hedge our foreign currency risk by entering into forward contracts on anticipated cashflows basis customer purchase orders, any steps undertaken to hedge the risks on account of fluctuations in currencies may not adequately hedge against any losses we incur due to such fluctuations. Further, any rescheduling and/or part or full cancellation of such orders may have any adverse impact on our operations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our business, results of operations, financial condition and cash flows and cause our results to fluctuate and/or decline. We may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. For further information on our exchange rate risk management, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Qualitative and Quantitative Disclosures about Market Risk*" on page 121.

23. We may enter into related party transactions in the ordinary course of our business and may continue to do so in future. There may be conflicts of interest associated with such transactions and there can be no assurance that such transactions will not have an adverse effect on our results of operation and financial conditions

We have entered into related party transactions in the three preceding Fiscals, each of which have been undertaken on an arms' length basis and have been approved by our Audit Committee, Board, Shareholders, or as and when required by law. We may also, from time to time, enter into related party transactions in the future. Set forth below are details of our related party transactions for the corresponding periods:

(*in ₹ lakhs, unless otherwise specified*)

Particulars	For the financial year ended March 31					
	2024		2023		2022	
	RPT	RPT as a % of Revenue *	RPT	RPT as a % of Revenue *	RPT	RPT as a % of Revenue*
Remuneration	317.81	0.25%	262.91	0.24%	321.73	0.33%
Rent / Lease Expenses	315.18	0.25%	298.73	0.27%	283.20	0.29%

Particulars	For the financial year ended March 31					
	2024		2023		2022	
	RPT	RPT as a % of Revenue *	RPT	RPT as a % of Revenue *	RPT	RPT as a % of Revenue*
Rent / Lease Income	1.74	0.00%	1.65	0.00%	1.58	0.00%
Purchases of goods & services	13,325.02	10.66%	8,666.96	7.74%	9,808.12	10.12%
Sales of goods & services	668.91	0.54%	1,330.96	1.19%	1,191.87	1.23%
Unsecured Loan - received	-	-	2,700.00	2.42%	2,730.00	2.81%
Unsecured Loan – repaid	-	-	5,210.00	4.66%	2,730.00	2.81%
Inter Corporate Deposits – received	-	-	5,575.00	4.99%	70.00	0.07%
Inter Corporate Deposits – repaid	-	-	3,065.00	2.74%	70.00	0.07%
Interest paid	212.04	0.17 %	289.34	0.26%	308.28	0.32%
Total	14,840.70	11.87%	27,400.55	24.51%	17,514.78	18.05%

**Revenue (Revenue from operations & other income)*

Such related party transactions in the future or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company, and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

24. We have availed unsecured loans which can be recalled by lenders at any time, and may adversely affect our cash flows, business and financial position.

Our Company and certain of our Subsidiaries, have currently availed unsecured loans which may be recalled by the lenders at any time. In such cases, the lender is empowered to require repayment of the facility at any point in time during the tenor. In case the loan is recalled on demand by the lender and our Company, or the relevant Subsidiary is unable to repay the outstanding amounts under the facility at that point, it would constitute an event of default under the respective loan agreements. As a result, of any such demand with respect to the loans of our Company and our Subsidiaries may affect our business, cash flows, financial condition and results of operations. As of March 31, 2024, we had unsecured loans payable on demand amounting to ₹ 970.00 lakhs, which constituted 1.81% of the total borrowings. For further information, see "***Financial Statements-Borrowings***" on page 292.

25. We may undertake acquisitions, investments, joint ventures or other strategic alliances. Our inability to undertake investments, acquisitions and inorganic growth opportunities in line with our business plans and strategy or to successfully integrate such investments with our Company may have a material adverse effect on our may have an adverse impact on our business, operations or financial conditions.

We intend to undertake investment, acquisitions and inorganic growth opportunities which are synergetic with our existing operations, growth strategies and business plans that *inter-alia* will enable us to enhance our product portfolio, increase geographical presence, widen customer base, increase production capacity, improve financial and operating performance, and allow deeper market penetration. Such acquisitions will however depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, *i.e.*, whether they will be directly done by our Company or through our subsidiaries or whether these will be in the nature of asset including plant or machinery or technology acquisitions or joint ventures.

While we have not entered into any definitive agreements towards any future acquisitions, investments or strategic initiatives, our Company in its ordinary course of business and in line with its business strategies explores target opportunities for strategic acquisitions or for undertaking other inorganic initiatives. As on the date of this Preliminary Placement Document, our Company has entered into a non-binding term sheet for an acquisition of a company which is engaged in similar line of business as that of our Company, and our Company is in process of conducting due diligence. We cannot assure you that we will be able to acquire such entity at commercially reasonable terms or at all or obtain requisite approvals or consents which are required to undertake such acquisition or will be successful in integrating such target companies. Further, it is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects. We incur certain expenses for identification of potential targets for inorganic growth *inter-alia* expenses on account of due diligence, engagement of various intermediaries, or deposit of security amount with potential targets, which in the event of our inability to consummate acquisition of a potential target may impose a burden on our profitability.

We have recently undertaken certain strategic initiatives and/or acquisition for our inorganic growth. For details, of recent strategic initiatives, see "*Our Business*" on page 174. For details, see "*Risk Factors - The Bagadia Acquisition may fail to realise targeted synergies or other anticipated benefits which would adversely impact our business, results of operations, financial condition and prospects"* on page 40.

Our ability to achieve benefits from future investments, acquisitions and/or inorganic growth opportunities, will largely depend upon whether we are able to integrate the acquired businesses into the rest of our Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and employee retention, streamlining manufacturing processes and controls, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, financial and ERP integration, and information and software systems. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could significantly increase our expenses, which, without a commensurate increase in total revenue, and may have a negative impact on our financial position and business.

In addition, acquired businesses or potential target opportunities may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, non-availability of any permits, approvals, or authorisations which are required for undertaking business or operations, and accordingly we may become liable for the past activities of such businesses. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements to be entered into for inorganic growth opportunities which may, as the case may be, prevent us from disposing or acquiring shares in the subject entities, or force us to sell or acquire shares in the subject entities where we may not otherwise have decided to.

We may pursue investment opportunities in India or outside India, as may be determined by the Board. Risks that we may face in implementing our business strategies and plans in markets locate outside India, may substantially differ from that we have experienced in India, thereby exposing us to risks related to new geographic markets, industry verticals, suppliers and customers. The commencement of operations beyond markets in which we currently operate is subject to various risks including unfamiliarity with pricing dynamics, competition, service, and operational issues including logistics and transportation risk, failure or inability to deliver shipment in time owing to reasons beyond our control resulting in higher cost implications on our Company, risk relating to human resource including ability to retain key management and employees. We may not be able to successfully manage some, or all of the risks associated with such an expansion into new geographical areas and new customer relationships, which may place us at a competitive disadvantage, limit our growth opportunities and materially and adversely affect our business, results of operations and financial condition.

While we believe that we have been largely successful in executing our business strategy in the past, there can be no assurance that we will be able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will be synergistic with our existing business and operations. We expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and growth strategy could have a material adverse effect on our business, financial condition and profitability.

26. ***We may be unable to benefit from government policies like the Package Scheme of Incentives and various other policies.***

Our manufacturing facility in Aurangabad, Maharashtra has been accorded the “Megaproject” status by the Government of Maharashtra under the Package Scheme of Incentives, 2013 and has thereby been granted the following benefits: (i) Electrical duty exemption for a period of 7 years from the date of commencement of commercial production i.e. April 1, 2018, (ii) 100% exemption from the payment of stamp duty and industrial promotion subsidy equivalent to 100% of eligible investment. There can however, be no assurance that we will continue to achieve the conditions prescribed under such scheme, post expiry of the exemption period, and consequently we may not be entitled to receive the benefits provided thereunder. Without such support, it might not be commercially viable to operate our manufacturing facility.

Further, changes in government policies could lead to a significant reduction in or a discontinuation of the incentives provided under the package scheme of incentives which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects

27. ***An inability to accurately forecast demand or price for our products and manage our inventory inter-alia due to absence of any long-term sales agreements with majority of our customers may adversely affect our business, results of operations, financial condition, and cash flows*.**

Our business depends on procurement of materials and manufacturing decisions made in advance based on our estimate of the demand for our products from customers taking into account historical trends. The table below sets forth details of our inventory turnover ratio as of the dates indicated:

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Inventory (in ₹ lakhs)	27,019.95	23,931.40	27,228.71
Inventory days(1)	77	85	82
Inventory turnover ratio	4.72	4.30	4.44

Note: Inventory days is calculated as 365 days divided by inventory turnover ratio. Inventory turnover ratio is calculated by dividing revenue from operations as disclosed in the Audited Consolidated Financial Statements by average inventory, where average inventory is the average of opening and closing inventory as disclosed in the Audited Consolidated Financial Statements.

Further, our Company also faces challenges in making a fair assessment of demand of our products and efficient management of inventory due to unavailability of long term contracts with majority of our customers, and instead execute sales pursuant to purchase orders received from the customers. For details see, “*Risk Factors - We do not have long-term sales agreements with majority of our customers, and execute sales based on the purchase orders received from customers. With the absence of a long-term sales contract, there is no guarantee of continued business from the customers each year, and inability to retain our customers may result in adverse impact on our business and operations”* on page 38.

Ensuring availability of our products requires prompt turnaround time and a high level of coordination amongst our personnel, including the production team and marketing teams. While we aim to avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. If we fail to accurately forecast customer demand or assess industry trends, we may experience excess inventory levels or a shortage of products available for sale. If we under-stock inventory, our ability to meet customer demand may be impaired. If we over-stock inventory, our capital requirements may increase, and we may incur additional financing costs. Any unsold inventory may have to be sold at a discount or discarded, potentially leading to losses. While, there has not been any material instance of us selling unsold inventory at a steep discount nor has there been any material instance of inventory being discarded, potentially leading to losses, in the last 3 financial years and the current financial year; we cannot assure you that we will be able to sell surplus stock in a timely manner, or at all, which in turn may adversely affect our business, results of operations and financial condition.

28. ***The loss of accreditation for our manufacturing facilities and operations could damage our reputation, business, results of operations, cash flows and financial conditions.***

Our quality certifications and accreditations are critical for sales to our customers. We have obtained various quality and process certifications including ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. For grant of such certifications and for their timely renewal, our manufacturing facilities and operating processes are also audited by third-party accreditation agencies. In the event we fail to comply with the requirement of undergoing third-party audits, or fail our audits, we may be in breach of our arrangements with certain customers. If we are unable to comply with the accreditation criteria or if such agencies determine that we are not in compliance with the prescribed standards and norms, our existing accreditation may be revoked or not renewed or we may not be granted new accreditations, which could also render our Company ineligible to manufacture or supply certain products to our customers. To ensure continued accreditation with such agencies, we must ensure consistency and maintain the quality of our products and our manufacturing processes. Our inability to maintain or renew our accreditations or certifications or approvals, could result in an adverse impact on our reputation, business, results of operations, cash flows and financial conditions.

29. We depend on third parties for the supply of certain key components and stock-in-trade. A disruption in the supply of the key components or raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.

We rely on third-party suppliers for some of our key components used in the manufacturing process, including critical "C class" parts such as screws, rivet pins, tie rings, washers, magnetic plugs, sealing plates, nuts and bolts, etc which are crucial to the manufacturing and functioning and quality of our final products. The table below provides cost of critical "C class" components consumed as a percentage of our cost of raw materials consumed in the years indicated:

For the Year ended March 31, 2024		For the Year ended March 31, 2023		For the Year ended March 31, 2022	
Cost of "C Class" component consumed (₹ lakhs)	Percentage of cost of raw material consumed	Cost of "C Class" component consumed (₹ lakhs)	Percentage of cost of raw material consumed	Cost of "C Class" component consumed (₹ lakhs)	Percentage of cost of raw material consumed
197.69	0.25%	165.53	0.21%	133.85	0.19 %

We select suppliers based on total value (including total landed price, quality and delivery), taking into consideration their production capacities and financial condition and expect that they will deliver in accordance with our quality standards.

Dependence on third-party suppliers for critical "C Class" parts can present several risks which include, *inter-alia*, concerns in relation to the quality of the final components supplied.

The technical specifications of C-class components are dictated by our customers and are intrinsically linked to the quality and final specification of the high-value added assemblies to be manufactured and supplied to the customers. However, since we rely on third-party suppliers for critical parts, we have limited control over the manufacturing process, quality assurance, and delivery timelines. Third-party suppliers may not prioritize quality to the same extent as our in-house production team or closely monitored suppliers. The inability of a supplier to meet the specific technical and qualitative requirements set out by our customers could prevent us from delivering our products to the customers in time, or at all, or cause returns of products under warranty or product recalls. This would have a material adverse impact on our customer relations, reputation and business and generate additional costs for our Company such as increased transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition. We may also be blacklisted by our customers entirely or prohibited from supplying similar products if we are unable to meet their technical and qualitative requirements. While there have no material instances where our customer relations have been adversely affected due to inability to use critical "C class" produced as per their requirements, we cannot assure you that such an incident will not happen in the future.

Further, since we generally don't enter into formal long-term arrangements with the third party suppliers, depending on them for critical parts also exposes our business to price fluctuations in the market. Changes in raw material costs, currency exchange rates, or supplier pricing policies can impact the overall production costs and profitability. Sharing sensitive product specifications or designs with third-party suppliers, in the absence of a formal contractual arrangement, also increases the risk of intellectual property theft or leakage, potentially leading to competitors replicating products or compromising proprietary technology.

Additionally, just as with any other critical component, disruptions in the supply of class "C" parts can lead to production delays or stoppages. While, except for disruption in supply of components in the beginning of Fiscal 2022 due to COVID-19 pandemic, we have not experienced any major instance of disruption of supply in the last three fiscals and are taking significant measures for mitigating the risk such as holding inventory for a longer period, conducting thorough supplier audits and implementing quality control measures, however there is no assurance that if we experience a disruption of supplies we will be able to source such commodities from alternative suppliers on similar commercial terms and within a reasonable timeframe. Inability to procure components may result in an adverse impact on our business, operations, and financial condition.

30. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.

The success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. In recent times, we have made significant investments for the expansion of our capacities across all our products and are continuing to undertake additional investments to increase our existing capacity. For further details, please see "*Our Business- Our Strategies-Strategic expansion of our manufacturing facilities*" along with "*Risk Factor- We have substantial capital expenditure and working capital requirements and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed*" on pages 184 and 46 respectively.

Our expected return on capital invested is subject to, among other factors, the ability to ensure satisfactory performance of personnel to further grow our business, our ability to absorb additional infrastructure costs and utilize the expanded capacities as anticipated. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity efficiently. For further information, see "*Our Business - Aggregate Installed Capacity and Capacity Utilization*" on page 46. Further, the risk associated with underutilization of capacities should be isolated from the new proposed manufacturing facilities, as they pertain to an entirely new segment. Under-utilization of our manufacturing capacities over extended periods, or significant underutilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

31. Information relating to our installed capacities and capacity utilization of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates and future production and capacity utilization may vary.

Information relating to the installed manufacturing capacity, capacity utilization of our manufacturing facilities included in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity and capacity utilization of our manufacturing plants. These assumptions and estimates relating to the installed manufacturing capacity include the standard capacity calculation practice of the industry after examining the calculations and explanations provided by the Company and the capacities and other ancillary equipment installed at the manufacturing plants. The assumptions and estimates include the number of working days in a year as 365 days.

The information relating to the actual production at the manufacturing facility as of the dates included above are based on the examination of internal production records, the period during which the manufacturing facility operates in a year, expected operations, availability of raw materials, resulting from scheduled maintenance activities as well as expected operational efficiencies.

Actual production levels and future capacity utilization rates may thereby vary significantly from the estimated production capacities of our manufacturing plants and historical capacity utilization rates. Actual utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilization information of our manufacturing plants. Undue reliance should therefore not be placed on our installed capacity or historical estimated capacity utilization information for our existing manufacturing plants included in this Preliminary Placement Document. For further information, see sections entitled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" beginning on pages 174 and 91, respectively.

32. We are subject to various risks associated with transportation and we may face claims relating to loss or damage to cargo, personal injury claims or other operating risks.

We rely on third parties for the transportation services for the timely delivery of our products to our customers located in India and other countries Any failure by or loss of a third party transport service provider could result in delays and increased costs, which may adversely affect our business. The following table sets forth the freight charges and forwarding charges incurred as a percentage of our total expenses in the years indicated:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	(in ₹ lakhs)	**% of revenue from operations**	**(in ₹ lakhs)**	**% of revenue from operations**	**(in ₹ lakhs)**	**% of revenue from operations**
Freight and Forwarding Charge (Inward and Outward)	1,088.15	0.91%	1,001.71	0.91%	1,280.03	1.34 %

We use different modes of transportation, including road and sea for our operations. We engage third-party logistic service providers to support our transportation requirements. In the event that these third party logistic service providers are unable to provide services for our operations for reasons which are beyond our control, and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, cash flows, financial condition, results of operations and reputation may be adversely affected. Disruptions of transportation services because of natural disasters, pandemics, mass protests, civil unrest, strikes, lockouts or other events may affect our delivery schedules and impair our supply to our customers.

While delivery of products to customers within India is generally shipped by road, the majority of our shipments to the foreign markets are by sea and subject to associated risks, including damage or loss of containers due to shipwreck, mishandling of our shipment at port or at sea, damage during transportation and loading and unloading. While we maintain marine sales turnover insurance policy to cover various risks during the transit of goods overseas, any damage suffered by us in excess of coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. Further, the unavailability of adequate port and shipping infrastructure for transportation of our products to our foreign markets may have an adverse effect on our business, financial condition, cash flows and results of operations

33. We operate in a competitive business environment. Competition from existing players and new entrants and consequent pricing pressures and our inability to compete effectively could have a material adverse effect on our operating margins, business growth and prospects, financial condition and results of operations and may lead to a lower market share.

We manufacture stator and rotor laminations which require minimal value-addition, and are typically made through a process involving cutting, shearing and punching. However, we have gained a competitive advantage over our peers since most of our tooling and processes are developed in-house and we have achieved cost-effectiveness and efficiency through economies of scale, automation, and efficient supply chain management (*Source: F&S Report*).

High value-added assemblies are produced by integrating stator and rotor laminations with child parts consisting of end laminations, duct laminations, end castings, clamping plates, copper bars/plates, etc., and locking them through processes such as special welding, cleating, fastening and die castings. Most of our competitors haven't achieved this level of vertical integration and we therefore face sporadic competition at this level (*Source: F&S Report*).

Frame and shaft integrated assemblies are produced by integrating the high value assemblies with casted, fabricated and machined frames in case of stators and fully integrated ready to use rotors with the shaft in case of the rotors. Making these assemblies involves advanced manufacturing processes, precision engineering, incorporation of specialized components or technologies, thereby adding significant values to the products we supply. None of our peers have managed to manufacture and produce such assemblies (*Source: F&S Report*).

While our Company is the market leader in lamination vertical, which is part of the rotating electrical equipment vertical, based on revenue for the sub-vertical for Fiscal 2023 (*Source: F&S Report*), we may have to compete with global competitors to retain our existing business as well as to acquire new business. Some of these competitors may have certain advantages, including greater financial, brand equity/ greater reputation, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios.

Further, our customers may backward integrate by setting up facilities to manufacture our products or increasing their existing capacities for the same.

As a result, to remain competitive in the market we must, in addition, continuing to meet exacting quality standards, continuously strive to reduce our production and distribution costs and improve our operating efficiencies. We cannot assure you that we will continue to effectively compete with existing players and, or new entrants in the industry in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, and results of operations. Moreover, the competitive nature of the industry that we operate in may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

34. Any disruption in labour industry or strikes by our workforce or unavailability of skilled contract laborers may affect the production capability of our Company.

Any disruption to the steady and regular supply of workforce for our operations, including due to strikes, work stoppages or increased wage demands by our workforce or any other kind of disputes with our workforce or our inability to control the composition and cost of our workforce could adversely affect our business, cash flows and results of operations. Our manufacturing activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. We may be subject to industrial unrest, slowdowns, and increased wage costs, which may adversely affect our business, financial conditions, cash flows and results of operations. While we consider our overall relationship with our employees to be good and there has been no such instances in the last three Fiscals, we could experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our business operations. Our Company also appoints independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. Although we do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial conditions, cash flows and results of operations. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, we may be directed to absorb some of these contract labourers as our employees. Any such order from a court or any other regulatory authority may adversely affect our business, cash flows and results of operations. Further, any unavailability of skilled contract labour may also impose burden on our manufacturing facilities, and result in reduced production leading to an adverse impact on our business and operations.

Further, work stoppages due to strikes or other events could result in slowdowns or closures of our operations which could have an adverse effect on our business, cash flows and results of operations. While there has been no instance in the last three Fiscals where we experienced work stoppages due to strikes or labour unrest that resulted in closure of our operations, there is no assurance that we may not experience any such events in the future.

35. We have no registered trademarks or intellectual property rights and may thereby be unable to adequately protect our intellectual property and be subject to risks of infringement claims. Furthermore, as of the date of this Preliminary Placement Document, our application for trademark of our name and logo remains pending. We cannot assure you that such registration will be granted in a timely manner or at all.

We have no registered trademarks, including the trademark for our trade name or the corporate logo appearing on the cover page of this Preliminary Placement Document.

As of the date of this Preliminary Placement Document, we have applied for registration of trademark for our name and logo PITTI with the Trademarks Registry of India. We cannot assure you that such registration will be granted in a timely manner or at all. Our application may be challenged, and we may have no recourse against parties who use our name and logo till such time as these trademarks are registered.

There can be no assurance that third parties will not infringe upon our intellectual property, causing damage to our business prospects, reputation, and goodwill if we are unable to register our trademark for various reasons including our inability to remove objections to any trademark application. If any of our unregistered trademark are registered in favour of or used by a third party in India or abroad, we may not be able to claim registered ownership of such trademark and consequently, we may not be able to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities, causing damage to our business prospects, reputation and goodwill in India and abroad. Apart from this, any failure to register or renew registration of our registered trademark may affect our right to use such trademark in future. Further, our efforts to protect our intellectual property in India and abroad may not be adequate and any third party claim on any of our unprotected intellectual property may lead to erosion of our business value and our reputation, which could adversely affect our operations. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our trademarks in India and abroad.

While we possess technical knowledge about our products and design our tools in-house, our know-how may not be adequately protected by intellectual property rights. While we generally take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, job workers, customers and suppliers, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. Our manufacturing processes may not be eligible for intellectual property protection and others may be able to use the same or similar production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition, cash flows and results of operations.

Further, if we do not maintain our brand name and identity or if we fail to provide high quality products on a timely basis, we may not be able to maintain our competitive edge in India and abroad. If we are unable to compete successfully, we could lose our customers, which would negatively affect our financial performance and profitability. Moreover, our ability to protect, enforce or utilize our brand name is subject to risks, including general litigation risks. Furthermore, we cannot assure you that such brand name will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source in India and abroad. Any damage to our brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position in India and abroad.

36. Any downgrade in our credit ratings could increase our borrowing costs, affect our ability to obtain financing, and adversely affect our business, results of operations, cash flows and financial condition.

Our Company has a credit rating of IND A/ stable for long term credit facilities, and IND A2+ for short term credit facilities as of March 31, 2024.

Our credit ratings, which are intended to measure our ability to meet our debt obligations, are a significant factor in determining our finance costs. The interest rates of certain of our borrowings may be significantly dependent on our credit ratings. A downgrade of our credit ratings could lead to greater risk with respect to refinancing our debt and would likely increase our cost of borrowing and adversely affect our business, financial condition, cash flows, results of operations and prospects.

37. We are unable to trace certain corporate records in relation to our Company. Non availability of such records may result in regulatory actions against our Company by regulatory or statutory authorities, which may have an adverse impact on our financial condition and reputation.

We are unable to trace certain corporate records in relation to our Company *inter-alia* copies of forms filed with the RoC, by our Company relating to allotments of (a) 8,257 equity shares of face value ₹100 each January 27, 1986 and (b) 3,00,000 equity shares of face value of ₹ 10 each on December 13, 1993. Further, Company has also caused a physical search of the records of the ROC conducted by a practicing company secretary and have not been unable to trace such corporate records. Accordingly, for the purposes of disclosures included in this Preliminary Placement Document, we have relied on alternative documents, including minutes of meetings of our board of directors, annual returns, and audited financial statements of the Company.

As on the date of this Preliminary Placement Document, our Company has neither received any show cause notice in respect to the aforementioned records, nor any penalty or fine has been imposed by any regulatory authority in respect to the same. We cannot assure you that the above-mentioned corporate records will be available in the future, and that we will not be subject to any proceedings initiated by any regulatory or statutory authority (including the RoC) in this respect. Any actions including legal proceedings if initiated by regulatory or statutory authorities, may have an adverse effect on our financial condition or reputation.

38. Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by F&S and exclusively commissioned and paid for by us for such purpose

Certain information regarding the industry and the market in which our Company operates, included in this Preliminary Placement Document has been derived from the report titled "Assessing the Opportunity for Motors, Generators and Components" dated July 6, 2024 ("**F&S Report**") prepared by F&S appointed and exclusively commissioned by our Company.

The report is a paid report, and exclusively commissioned for the purposes of the Issue, and is subject to various limitations and based upon certain assumptions, parameters and conditions that are subjective in nature. It also uses certain methodologies for market sizing and forecasting which may or may not be accurate.

Industry sources and publications are also prepared based on information as of specific dates. Further, there is no assurance that such information has been compiled or presented on the same basis as may be presented elsewhere. In addition, statements from third parties that involve estimates, projections, forecasts and assumptions are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon.

Investors should consult their own advisors and undertake an independent assessment of information in this Preliminary Placement Document based on, or derived from, the F&S Report before making any investment decision regarding the Issue.

39. ***Our Promoters, Directors, key management personnel and senior management personnel may have interests in our Company other than normal remuneration or benefits and reimbursement of expenses incurred***

Our Promoters, Directors, key management personnel and senior management personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursements of expenses, to the extent of Equity Shares or other securities, held by them and their relatives (if any) and their dividend or bonus entitlement, and benefits arising from their directorship in our Company and are also interested to the extent of sitting fee payable to them for attending each of our Board and committee meetings (to the extent relevant). As on date of this Preliminary Placement Document, our Registered and Corporate Office are leased to us by Sharad Badrivishal Pitti and a member of our Promoter Group, Madhuri S. Pitti. Further, our other Promoter, Akshay Sharad Pitti may be considered interested to the extent of receipt of interest on unsecured loans granted by him to the Company. For details, see "*Related Party Transactions*" and "*Board of Directors and Senior Management – Interests of Directors*" on pages 35 and 201.

There can be no assurance that our Promoters, Directors, Key Management Personnel or senior management personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors and our Key Management Personnel may take or block actions concerning our business, which may conflict with the best interests of our Company or that of minority shareholders

For details of the related party transactions during the last three Financial Years, see "*Related Party Transactions*" on page 35.

40. ***Our business operations are being conducted on owned and leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.***

As on the date of this Preliminary Placement Document, our Registered and Corporate Office is leased to us by our Promoter, Sharad B Pitti and Madhuri S. Pitti, a member of the Promoter Group. Similarly, the land on which one of our manufacturing facilities in Nandigaon, Telangana is located is leased to us by our Promoter, Sharad B. Pitti. We have also leased a portion of the land occupied by another Nandigaon facility from Sharad B. Pitti.

Further, our subsidiary, Bagadia Chaitra Industries Private Limited has also acquired one of its facilities, situated in Tumkur, Karnataka on a leasehold basis.

Given that some of our business operations are conducted on leased premises, any adverse impact on, or deficiency in, the title, ownership rights or development rights of the owners from whose premises we operate, breach of the contractual terms of any lease or leave and license agreements, or any inability to renew such agreements on acceptable terms or at all may materially affect our business operations.

Lease agreements are also required to be duly registered and adequately stamped under Indian law. Failure to stamp a document does not affect the validity of the underlying transaction but renders the document inadmissible as evidence in court in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. Consequently, should any dispute arise in relation to our use of the relevant properties, we may be unable to, or may incur additional expenses to, enforce our rights in relation to such properties.

Further, we may require additional amount of land for the purposes of operating our manufacturing plants and future expansion plans. However, we cannot assure you that we will be able to identify or acquire adequate land either on a freehold or leasehold basis, or that land acquisitions will be completed in a timely manner, at acceptable costs and/or on commercially reasonable terms, without opposition, or at all. The cost of acquiring land on a freehold or leasehold basis for our manufacturing plants may be higher than we estimated and be subject to a number of factors, including the type of land being acquired, market prices, the level of economic development in the area where the land is located and government regulations pertaining to the price of land, among others. In addition, we may face significant opposition to the construction of our manufacturing plants from local communities, tribes, non-government organizations and other parties. Such opposition or circumstances may be beyond our control. If we are unable to acquire the required amount of land for our manufacturing plants or the necessary approvals from government agencies, the viability and efficiency of such projects may be affected. In addition, any inability to complete the acquisition of the necessary land in a timely manner may cause construction delays. The occurrence of any such event could have an adverse effect on our business, results of operations, financial condition, cash flows and future business prospects.

41. Our insurance coverage may be inadequate to satisfy future claims against us

We maintain insurance that we consider to be typical in our industry in India and in amounts that are commercially appropriate for a variety of risks, including fire and special perils, burglary insurance, money insurance and business package insurance. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our business operations, particularly if the loss suffered is not easily quantifiable. Our insurance policies contain exclusions and limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under such insurance policies. Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. Any such uninsured losses or liabilities could result in an adverse effect on our business and financial results.

42. Corrupt practices or fraud or improper conduct may delay the development of a product and adversely affect our business and results of operations.

The manufacturing industries in India and elsewhere are not immune to the risks of corrupt practices or fraud or improper practices. The manufacturing in all parts of the world provide opportunities for corruption, fraud or improper conduct, including bribery, deliberate poor workmanship, theft or embezzlement by employees, contractors or customers or the deliberate supply of low quality materials. If we or any other persons involved in any of the production unit which are the victim of or involved in any such practices, our reputation or our ability to complete the relevant projects as contemplated may be disrupted, thereby adversely affecting our business and results of operations.

43. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon regulatory stipulations, our future earnings, financial condition, cash flows, and capital expenditures and the terms of our financing arrangements.

Any dividends to be declared and paid in the future are required to be recommended by our Company’s Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company’s ability to pay dividends in the future will depend upon regulatory restrictions on dividend distribution, our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. While we have declared dividend in the last three fiscals, we cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future. For further details, see "***Dividend Policy***" on page 90.

44. We have in this Preliminary Placement Document included certain non-GAAP financial measures and certain other industry measures related to our operations and financial performance. These non-GAAP measures and industry measures may vary from any standard methodology that is applicable across the financial services industry, and therefore may not be comparable with financial or industry related statistical information of similar nomenclature computed and presented by other companies.

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial measures and such other industry related statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of players in the Indian financial services industry, many of which provide such non-GAAP financial measures and other industry related statistical and operational information. Such non-GAAP financial measures may be different from financial measures and statistical information disclosed or followed by peers. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our audited financial statements as reported under applicable accounting standards disclosed elsewhere in this Preliminary Placement Document.

These non-GAAP financial measures and such other industry related statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and industry related statistical information of similar nomenclature that may be computed and presented by other companies. For further information, see "***Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures***" on page 112.

45. The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions.

We intend to use the Net Proceeds of the Issue for the purpose of (i) Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company and (ii) general corporate purposes, as described in "***Use of Proceeds***" on page 79.

Our funding requirements and deployment of the Net Proceeds are based on inter-alia internal management estimates, current business plans, business strategies, availability and cost of funds, management perception of growth opportunities and risks, as applicable and have not been appraised by any bank or financial institution or other independent agency. It is subject to amendment due to changes in external circumstances, costs, other financial condition or business strategies. We operate in a highly competitive and dynamic industry and may need to revise our estimates from time to time based on changes in external circumstances or costs, or changes in other financial conditions, business or strategy. This may entail rescheduling, revising or cancelling planned expenditure and funding requirements at our discretion. In case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by any means available to us, including internal accruals and additional equity and/or debt arrangements, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and results of operations.

Our Company proposes to utilise the Net Proceeds for Objects on or before Fiscal 2025. However, the schedule of deployment of Net Proceeds from the Issue as set out in the section "*Use of Proceeds*" may be subject to change and will be at the discretion of our management. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rate fluctuations, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws. Further, such factors could also require us to advance the utilisation before the scheduled deployment as disclosed above.

We have appointed a monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 173A of the SEBI ICDR Regulations and the monitoring agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations. Further, the application of the Net Proceeds in our business may not lead to an increase in the value of your investment. Additionally, various risks and uncertainties, including those set forth in this "Risk Factors" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth.

EXTERNAL RISKS

RISKS RELATED TO INDIA

46. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, cash flows and results of operations***

Our business and financial performance could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us and our general business, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. The Government of India has announced the interim union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024 does not propose any significant changes to the Income Tax Act, 1961, the entire union budget which is likely to be announced later this year may introduce amendments to the Income Tax Act, 1961.We have not fully determined the impact of these recent and proposed laws and regulations on our business. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

The Government has recently introduced (a) the Code on Wages, 2019 ("**Wages Code**"); (b) the Code on Social Security, 2020 ("**Social Security Code**"); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses.

Moreover, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot provide you with any assurance as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit ("**ITC**"). Any future increases in taxation or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Further, the Finance Act, 2023 has proposed to consider perquisites or benefits arising from business whether convertible into money or not or payable in cash or kind, as taxable income. Such changes may adversely affect our business, prospects, financial condition, cash flows and results of operations. New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations. We cannot assure you as to what action current or future Governments will implement regarding tax incentives or excise duty benefits. Moreover, any government policies restricting the allotment of land in areas where we intend to establish facilities could adversely affect our plans to expand our manufacturing facilities. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, financial condition and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

47. ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and the COVID-19. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

48. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy may be influenced by economic and market conditions in other countries, including conditions in the United States, Europe and Asia. In particular, the ongoing military conflicts between Russia and Ukraine, Israel and Palestine and escalating tension among countries in the Middle East could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recently, the currencies of a few Asian countries including India suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures.

In addition, China is one of India’s major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

49. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.

The Audited Consolidated Financial Statements included in this Preliminary Placement Document have been prepared and presented in conformity with Ind AS, which differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Document should be limited accordingly.

50. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. In particular, the COVID-19 pandemic caused an economic downturn in India and globally.

Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects. Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

51. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

The war in Ukraine, Israel-Palestine conflict and escalating tension among countries in the Middle East have contributed to rising rates of inflation, including in India. In response to the rising rates of inflation, various central banks, including the RBI has increased interest rates, resulting in increased cost of credit. Further deterioration in the global economy because of the Russia-Ukraine conflict, Israel-Palestine conflict, any significant escalation of an existing or new pandemic or otherwise, or the perception that such deterioration or escalation could occur, may continue to adversely affect global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate.

There have been periods of slowdown in the economic growth of India. Economic growth in the countries in which we operate or where our clients are located is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy or economies of countries which comprises primary market for our finished goods could harm our business, results of operations and financial condition. Further, we derived significant revenue from certain end-use industries including railways, power generation, mining, oil & gas, renewable energy, machined components and rotating equipment used for industrial and commercial application. For details, see "*Our Business*" on page 174. Any adverse development for industries which significantly contributes to our business *inter-alia* adverse regulatory framework or policies, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations, economic or political or financial instability, adverse tax policies or reduction in tax subsidies or incentives, inadequate access to capital for growth of business and operations, decline in market size or demand, technological advancement rendering existing products or technology redundant, change in competitive landscape, adverse change in consumer trends etc. will also have a cascading adverse impact on demand of our products, our business, operations, financial conditions and cash flows. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India or other economies where we have customers could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

52. ***We may be affected by competition law in India and any adverse application or interpretation of the Competition Act may in turn adversely affect our business.***

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. The Competition Act has been recently amended pursuant to Companies (Amendment) Act, 2023, which has, *inter-alia* increased the scope of agreements to be reviewed by the Competition Commission of India and reporting of transaction to Competition Commission of India will be based on deal value of acquisition, merger or amalgamation, instead on asset or turnover. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it may adversely affect our business, financial condition, cash flows, results of operations and prospects.

53. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, all investments by entities incorporated in a country which shares a land border with India, or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require the prior approval of the Government of India. These restrictions may adversely impact the ability of the Company and its investee companies to raise capital in a timely manner.

Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

54. A slowdown in our exports due to industry developments, tariffs and trade barriers and international sanctions could adversely affect our business, financial condition and results of operations.

We manufacture and supply a wide range of products under our rotating electrical equipment and machined component verticals including stator and rotor lamination with specialized processing, high value-added assemblies forming stator and rotor cores, fully integrated ready to use rotors with shaft, completed motor cores, and ready to wind stator frames forming critical components of motors and generators, iron and steel castings, machined fabricated parts, and forged shafts. For details, see "*Our Business*" on page 174. We derive a significant portion of our revenue from export of our products to certain key geographies, and accordingly our performance, growth, business, operations, turnover, and market price of our Equity Shares are dependent on the economies in which we operate.

Therefore, any developments *inter-alia* (a) adverse change in social, economic, financial, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, or terrorist attacks, war or other military action; (b) changes in foreign laws, regulations and policies, including restrictions on trade, import and export licence requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies, which has effect of restricting free trade of our products or imposition of sanctions or additional duties or reduction in incentives available on export of our products from India; (c) fluctuations in foreign currency exchange rates against the Indian Rupee, which may affect our results of operations, the value of our foreign assets, the relative prices at which we and foreign competitors sell products in the same markets and the cost of certain inventory and non-inventory items required for our operations, could have an adverse impact on our sales from exports, resulting in an adverse impact on our business, operations, financial conditions and cash flows. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers including imposition of technical standards on quality, safety and emission norms, voluntary export restraints, restrictions on procurement of raw material or other components required for manufacturing of our products, stringent standards of product testing and certification may be imposed on our products in jurisdictions in which we operate or seek to sell our products, leading to adverse implications on international trade, cost of products and may further result in competitive disadvantage. There can be no assurance that the jurisdictions, where we may seek to sell our products in line with our business strategy, will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our business, financial condition and results of operations.

55. ***Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the BRLM or any of their directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all of our Directors are located in India. Nearly all of our assets, our Key Managerial Personnel, Senior Management Personnel and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the Indian Code of Civil Procedure, 1908. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it viewed the amount of damages as excessive or inconsistent with the public policy in India. Further, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approval would be acceptable. Such an amount may also be subject to income tax in accordance with applicable law.

56. ***A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated or may subject acquirer to stringent compliance requirements, because of Takeover Regulations.

57. ***Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

The access to the debt capital markets depends significantly on the credit ratings of the Company and India's sovereign debt rating. Credit ratings may also be important to us when competing in certain markets and when seeking to engage in longer-term transactions. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place us on 'credit watch' with negative implications at any time or may downgrade India's sovereign debt rating. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise financing, and the interest rates and other commercial terms at which such financing may be available. As a result, we may not be able to raise funds on acceptable terms, or to raise sufficient funds. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

58. Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

RISKS RELATING TO THE EQUITY SHARES AND THIS ISSUE

59. Any future issuance of the Equity Shares or sales of the Equity Shares by any of our significant shareholders may adversely affect the trading price of the Equity Shares.

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or disposal of our Equity Shares or any other change in our shareholding structure or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoters will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations, as applicable) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the price at Equity Shares will be issued pursuant to Issue. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

60. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in, do not permit them to exercise their pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their ownership position will be diluted and their proportional interest in us would be reduced.

61. ***The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue***

The Issue Price of the Equity Shares will be determined by our Company in consultation with the Lead Manager. This price may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

62. ***The trading price of our Equity Shares may be subject to volatility, and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price shall be determined by us in consultation with the Book Running Lead Manager, based on the Bids received, in compliance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 read with rules made thereunder. It may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market after the Issue.

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, unprecedented events like COVID-19 pandemic, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

63. ***Investors may be subject to Indian taxes arising out of capital gains or stamp duty on the sale of our Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("STT") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of listed equity shares held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of our Equity Shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India's right to impose tax on capital gains arising from the sale of shares of an Indian company.

Further, the Finance Act, 2020 ("**Finance Act 2020**"), passed by the Parliament of India, stipulates the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty.

Additionally, the Finance Act 2020 does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Further, the Government of India proposed additional tax measures in Finance Act, 2022 and Union Budget for Fiscal 2023 which, among others, requires the taxpayers to explain sources of cash credits, extended the anti-tax avoidance provision to bonus stripping of securities and repeals the 15% concessional rate on foreign dividends. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

64. ***There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on a Stock Exchange.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be applied for or granted until the Equity Shares have been issued and Allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of the Equity Shares. Accordingly, there could be a failure or delay in listing the Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell the Equity Shares.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade. Investors can start trading the Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to be traded. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

65. Listed companies in India are highly regulated and we are subject to continuous reporting requirements, which requires us to incur significant time and cost towards ensuring compliance with applicable laws, and which may also divert attention of our management from business concerns.

We are subject to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we incur significant legal, accounting, corporate governance and other expenses. We are subject to the SEBI Listing Regulations which requires us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies. Further, as a listed company, we are required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions.

We are also required to monitor trading in the Equity Shares in terms of the SEBI Insider Trading Regulations. In order to maintain the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention are required. As a result, our management's attention may be diverted from our business concerns, which may affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

66. ***There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

The Equity Shares will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond a certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

67. Applicants in the Issue are not allowed to withdraw their bids after the Bid/Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in this Issue are not allowed to withdraw or revise downwards their Bids after the Bid/Issue Closing Date. The allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our Company's business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of allotment of Equity Shares in this Issue. The occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw or revise downwards their Bids in the event of any such occurrence without the prior approval of the SEBI. Our Company may complete the allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

68. ***An investor will not be able to sell any of our Equity Shares purchased in the Issue other than on a recognized Indian stock exchange for a period of 12 months from the date of issue of such Equity Shares.***

Pursuant to the SEBI ICDR Regulations, for a period of 12 months from the date of the allotment of the Equity Shares in this Issue, eligible QIBs subscribing for each of the Equity Shares may only sell their Equity Shares on NSE or BSE and may not enter into any off-market trading in respect of these Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of the Equity Shares. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain whether these restrictions will adversely impact the market price of the Equity Shares purchased by investors.

69. Investors will not have the option of getting the Allotment of Equity Shares in physical form

In accordance with SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. Further, the Equity Shares will not be transferred by our Company in case the Eligible Shareholder does not have a demat account.

MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 3,20,50,067* Equity Shares have been issued, subscribed and are fully paid up and all such Equity Shares are currently listed and traded on the Stock Exchanges.

**On account of non-payment of final call money by certain shareholders of the Company, 8,300 partly paid-up equity shares of face value of ₹ 10 each of the Company were forfeited pursuant to resolutions passed by the board of directors of our Company in their meeting held on June 29, 2009.*

As of July 5, 2024 the closing price of the Equity Shares on the BSE and the NSE were ₹ 1,172.05 and ₹ 1,172.30 per Equity Share, respectively. Since the Equity Shares are available for trading on the BSE and NSE, the market price and other information for each of the BSE and the NSE has been given separately.

1. The following tables set forth the reported high, low, average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes for Fiscals ended 2024, 2023 and 2022.

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in lakhs)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in lakhs)**	**Average price for the year (₹)**
2024	817.75	March 4, 2024	12,582	100.54	271.8	April 5, 2023	70,151	195.14	562.69
2023	374.90	August 1, 2022	72,934	268.26	234.75	May 26, 2022	1,54,499	378.67	306.16
2022	333.00	March 30, 2022	32,749	104.00	63.00	April 12, 2021	91,521	59.20	179.18

(Source: www.bseindia.com)

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

NSE									
Fiscal	High (₹)	Date of high	Number of Equity Shares traded on the date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on the date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the year (₹)
2024	817.00	March 4, 2024	2,55,468	2,039.87	271.85	April 5, 2023	1,67,882	471.75	562.83
2023	375.00	August 1, 2022	4,56,665	1,684.60	230.05	May 26, 2022	2,19,081	543.40	306.13
2022	331.55	March 29, 2022	5,61,780	1,801.91	62.00	April 22, 2021	2,01,832	129.96	179.16

(Source: www.nseindia*.com)*

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

BSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
June 2024	1,028.45	June 25, 2024	2,396	24.32	796.45	June 4, 2024	36,825	317.56	969.44	1,60,763	1,514.26
May 2024	919.00	May 16, 2024	39,215	344.64	801.00	May 9, 2024	4,184	34.30	864.35	2,33,079	2,022.21
April 2024	916.4	April 30, 2024	10,541	93.97	773.85	April 1, 2024	19,452	156.49	835.50	2,44,001	2,032.33
March 2024	817.75	March 4, 2024	12,582	100.54	663.30	March 14, 2024	14,748	104.24	753.67	1,82,089	1,371.59
February 2024	808.70	February 28, 2024	54,678	428.80	622.00	February 13, 2024	16,420	104.60	686.40	4,16,943	3,046.74
January 2024	730.50	January 15, 2024	21,555	153.49	633.30	January 24, 2024	13,053	83.61	679.90	1,74,307	1,195.99

(Source: www.bseindia.com)

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
June 2024	1,033.55	June 24, 2024	62,666	634.09	801.00	June 4, 2024	2,07,367	1,783.98	969.77	18,35,486	17,560.76

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in lakhs)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in lakhs)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in lakhs)
May 2024	919.45	May 16, 2024	6,05,006	5,373.48	800.00	May 9, 2024	63,747	520.28	865.15	27,75,980	24,227.10
April 2024	908.60	April 30, 2024	96,735	862.36	763.4	April 1, 2024	3,18,616	2,569.91	835.30	23,18,591	19,365.42
March 2024	817.00	March 4, 2024	2,55,468	2,039.87	663.55	March 14, 2024	1,62,688	1,157.52	753.83	24,52,338	18,579.75
February 2024	808.20	February 28, 2024	3,15,103	2,470.68	623.00	February 13, 2024	87,187	556.03	686.58	44,34,126	31,902.52
January 2024	730.65	January 15, 2024	1,61,784	1,155.78	632.90	January 24, 2024	85,930	551.93	680.09	18,07,081	12,346.32

(Source: www.nseindia.com)

Notes:
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*
3. *In case of two days with the same high or low price, the date with the higher turnover has been chosen*

(*Source: www.bseindia.com and www.nseindia.com)*

3. The following table set forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	Number of Equity Shares Traded		Turnover (In ₹ lakhs)	
	BSE	NSE	BSE	NSE
Fiscal 2024	45,46,056	4,00,05,890	24,421.17	229,098.33
Fiscal 2023	1,01,97,108	4,15,42,263	31,270.23	129,724.98
Fiscal 2022	1,86,05,599	7,99,39,953	29,597.13	129,769.44

(Source: www.bseindia.com and www.nseindia.com)

4. The following table sets forth the market price on the Stock Exchanges on May 16, 2024, the first working day following the approval of the Board for the Issue:

BSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (in ₹ lakhs)
912.95	919.00	850.00	855.35	3,9215	344.63

(Source: www.bseindia.com)

NSE					
Open	High	Low	Close	Number of Equity Shares traded	Volume (in ₹ lakhs)
907.05	919.45	850.20	857.75	6,05,006	5,373.48

(Source: www.nseindia.com)

USE OF PROCEEDS

The gross proceeds from the Issue will be aggregating to ₹ [●] lakhs* ("**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and expenses of the Issue of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs* ("**Net Proceeds**").

*****
Subject to allotment of Equity Shares pursuant to the Issue

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company proposes to utilize the Net Proceeds towards following objects:

(In ₹ lakhs)

S. No.	Particulars	Amount which will be financed from Net Proceeds#
1.	Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company	27,000.00
2.	General Corporate Purposes*	[●]
Total Net Proceeds^		**[●]**

 # Subject to allotment of Equity Shares pursuant to the Issue.
**The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*
^ To be determined upon finalisation of Issue Price

The main objects clause and objects incidental & ancillary to the main objects as set out in the Memorandum of Association enables our Company to undertake the existing activities and the activities proposed to be funded from the Net Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(in ₹ lakhs)

S. No.	Particulars	Amount which will be financed from Net Proceeds	Estimated deployment of the Net Proceeds in Fiscal 2025
1.	Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company	27,000.00	27,000.00
2.	General Corporate Purposes*	[●]	[●]
Total Net Proceeds^		**[●]**	

**The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds*
^ To be determined upon finalisation of Issue Price

The funding requirement, proposed deployment of funds and the intended use of the Net Proceeds set out above is based on our current business plan, internal management estimates, current circumstances of our business, prevailing market conditions, agreements entered into by the Company and other technical factors and commercial considerations. However, these fund requirements and proposed deployment of Net Proceeds have not been appraised by any bank or financial institution or independent agency or the Book Running Lead Manager, in connection with the Issue. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, interest rates or exchange rates fluctuation, access to capital, competitive landscape and other external factors such as changes in the business environment or regulatory climate, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. For details on risks involved, see "*Risk Factors – The objects of the Issue have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Net Proceeds proposed to be utilised may be subject to factors which are beyond Company's control and our inability to effectively utilise funds may have an adverse impact on our business, operations or financial conditions*" on page 65.

Further, in the event, the Net Proceeds are not utilized (in full or in part) for the Object of the Issue during the period stated above due to any reason, including (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards the Objects of the Issue is lower than the proposed deployment such balance will be used for future growth opportunities, if required and towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the gross proceeds.

Subject to compliance with applicable laws, in case of any variations or increase in the actual utilization of funds earmarked for the purposes set forth above, such additional fund requirements for a particular purpose may be financed from internal accruals, additional equity and/or debt arrangements. Further, our Board retains the right to change the above schedule of implementation and deployment of the Net Proceeds, including the manner, method, and timing of deployment of the Net Proceeds, in case of change in our business requirements and other commercial considerations.

Details of the Object of the Net Proceeds

1. **Repayment and /or prepayment of certain borrowings, in full or part, availed by our Company**

Our Company has entered into various financing arrangements from time to time, with banks and financial institutions. The loan facilities availed by our Company include borrowings in the form of, *inter-alia* cash credit facilities, working capital demand loans and term loans including fund based and non-fund based borrowings. As on May 31, 2024, our total outstanding borrowings amounted to ₹ 73,819.06 lakhs. Our Company proposes to utilise an estimated amount of up to ₹ 27,000.00 lakhs from the Net Proceeds towards full or partial repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements provided in the table below, is based on various factors including (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding, the remaining tenor of the loan, and provisions of any laws, rules and regulations governing such borrowings.

Given the nature of these borrowings and the terms of repayment or prepayment, the aggregate outstanding amounts under the borrowings, given in the table below, may vary from time to time. The amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns, and enhancement of sanctioned limits. However, the aggregate amount to be utilised from the Net Proceeds towards repayment and/or prepayment, in part or full of certain borrowings (including refinanced or additional facilities availed, if any), would not exceed ₹ 27,000.00 lakhs.

Such repayment and/or pre-payment will help reduce our outstanding indebtedness, debt servicing costs, improve our debt-to-equity ratio and enable utilisation of our internal accruals for further investment in our business growth and expansion.

The following table provides the details of outstanding borrowings availed by our Company as of May 31, 2024, which we have identified to repay or prepay, in full or in part, from the Net Proceeds.

S. No.	Name of the Lender	Nature of borrowing	Purpose for which disbursed loan amount was sanctioned and utilized by the Company	Loan amount sanctioned as on May 31, 2024	Outstanding loan amount as of May 31, 2024	Interest rate as on May 31, 2024 (% p.a.)	Tenor /Repayment schedule	Loan Maturity Date	Pre-payment conditions/penalty
				(in ₹ lakhs)					
1	State Bank of India	Working capital demand loan	For the purpose of working capital	3,200.00	3,200.00	9.50%	365 days	28-05-2025	-
2	State Bank of India	Guaranteed emergency credit line (GECL) term loan	COVID -19 emergency loan used for the purpose of business and operations.	1,800.00	749.53	9.25%	5 years	31-01-2026	-
3	State Bank of India	Term loan	The brownfield expansion of the Aurangabad plant	15,500.00	15,498.29	10.20%	5 years	31-03-2029	Prepayment penalty of 2% on the prepayment amount
4	Kotak Mahindra Bank	Working capital demand loan	For the purpose of working capital	2,484.53	2,484.53	8.50% to 8.65%	89 days	21-08-2024	-
5	Kotak Mahindra Bank	Term loan	Capital expenditure ("**Capex**") reimbursement and take-over of other bank which were sanctioned for the purpose of business and operations and Capex.	9,597.00	8,345.19	9.15% to 9.35%	24 months to 60 months.	29-12-2028	Prepayment penalty of 2% on the prepayment amount
6	Canara Bank	Guaranteed emergency credit line term loan	COVID -19 emergency loan used for the purpose of business and operations	813.00	345.83	9.25%	5 years	01-01-2026	-
7	Canara Bank	Value secured loan	For general corporate purpose	5,700.00	5,700.00	7.55%	92 days	24-08-2024	-
8	SVC Co. Operative Bank	Term loan	For creditors payment.	7,500.00	7,328.63	9.50%	10 years	20-02-2034	Pre-closure interest at 3% for first 3 years and 1% from 4th year to 5th year and NIL % from 6th year onwards for prepayment of loan through own sources only and 3% on takeover by any other bank/FI for the entire tenure.
9	Aditya Birla Finance Limited	Term loan	For acquisition of BCIPL	10,000.00	9,800.00	9.75%	5 years	01-02-2029	Prepayment after first anniversary is permitted based on the following conditions, (i) Repayment through

S. No.	Name of the Lender	Nature of borrowing	Purpose for which disbursed loan amount was sanctioned and utilized by the Company	Loan amount sanctioned as on May 31, 2024	Outstanding loan amount as of May 31, 2024	Interest rate as on May 31, 2024 (% p.a.)	Tenor /Repayment schedule	Loan Maturity Date	Pre-payment conditions/penalty
				(in ₹ lakhs)					
									QIP proceeds will attract 0.25% charges on the outstanding amount. (ii) Repayment of facility by the way of takeover by other financial institutions will attract 1% on the outstanding amount. (iii) At the first anniversary of the facility and thereafter, an advisory fee of 0.25% applicable on the outstanding amount.
Total				**56,594.53**	**53,452.00**				

Note: Details in the aforementioned table are certified by Talati & Talati LLP, Chartered Accountant, pursuant to their certificate dated July 8, 2024. Further, the loan has been utilised for the purpose for which it has been availed by our Company.

Our Company may utilise the Net Proceeds towards repayment, or pre-payment, in full or in part, of any or all of the aforementioned outstanding borrowings availed by our Company, to the extent permissible, as the Board or its duly authorised committee may determine in its discretion, in accordance with terms and conditions of such outstanding borrowings and applicable laws:

For the purposes of the Offer, our Company has obtained necessary consents and notified the relevant lenders, as is respectively required under the relevant facility documentation. For details, see "*Risk Factors - Our failure to comply with financial and other negative covenants under our loan agreements may materially and adversely affect our financial condition, results of operations, cash flows and business prospects*" on page 52. Further, to the extent our Company may be subject to the levy of any cost in relation to repayment or pre-payment of loans, depending on the facility being repaid/prepaid, the conditions specified in the relevant documents governing such credit facility and the amount outstanding/being pre-paid/repaid, as applicable, payment of such costs shall be made from the Net Proceeds. If the Net Proceeds are insufficient to the extent required for making payments for such costs, such excessive amount shall be met from our internal accruals. Further, our Company may utilise the Net Proceeds towards full repayment, or partial repayment or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company.

2. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, business development initiatives, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the Net Proceeds towards other purposes considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds from the Issue, the Company shall invest such proceeds in deposits in scheduled commercial banks or invest the funds in creditworthy instruments, including money market / mutual funds, or in any other investment as permitted under applicable laws as approved by the Board and/or a duly authorized committee of the Board, from time to time. Provided that in accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made, and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

Monitoring Utilization of Funds

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000 lakhs. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee, in accordance with applicable law. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter or such other period as may be specified under applicable law and uploaded on the website of our Company at www.pitti.in. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Preliminary Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. The statement shall be certified by the Statutory Auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Object; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Object as stated above. In terms of Regulation 32(7) of the SEBI Listing Regulations, our Company will also disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Other Confirmations

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised as approved by the Board and/ or a duly authorized committee of the Board, from time to time only for such purposes, as permitted under the Companies Act, prescribed objects as disclosed above and other applicable laws.

Subject to applicable laws, our Board shall determine the quantum of Net Proceeds to be deployed by our Company from the Issue, depending on business opportunities or requirements of our Company from time to time.

Neither our Promoters, nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors, shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel and members of the Senior Management are not eligible to subscribe in the Issue.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and members of our Senior Management.

Since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our capitalization on a consolidated basis as at March 31, 2024 which is derived from the Audited Consolidated Financial Statements and adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Summary Financial Information*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and other financial information contained in "*Financial Information*" on pages 31, 36, 91 and 258, respectively.

(*in ₹ lakhs*)

Particulars[1]	**Amount Pre-Issue as at March 31, 2024**	**Amount As adjusted for the Issue (Refer Note 2)**
Total Borrowing		
Non-current borrowings **(A)**	26,294.34	**[●]**
Current borrowings **(B)**	20,307.82	**[●]**
Current maturities of non-current borrowings **(C)**	7,066.47	**[●]**
Total Borrowings (D = A+B+C)	**53,668.63**	**[●]**
Equity		
Equity Share Capital (**E)**	1,602.92	**[●]**
Other equity **(F)**	40,019.48	**[●]**
Total Equity (G = E+F)	41,622.40	**[●]**
Ratio		
Non-current borrowings including current maturities of non-current borrowings/ Total equity (H = A+C/G)	0.80	**[●]**
Total Borrowings/ Total Equity (I = D/G)	1.29	**[●]**

1) *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended)*
2) *As adjusted for the proposed Issue' column in the above table will be adjusted for the number of equity shares issued pursuant to the Issue and the proceeds from the Issue thereon. Subject to finalization of the Allotment, it will reflect changes in Equity only on account of proceeds from the Issue of [●] Equity Shares aggregating to ₹ [●]in Equity Share Capital, at an Issue Price of ₹ [●] per Equity Share, including securities premium of ₹ [●] per equity share aggregating to ₹ [●] in Other Equity. The adjustments will not include any adjustment for Issue related expenses and for any other transactions or movement subsequent to March 31, 2024. The corresponding post-Issue capitalisation data for each of the above amounts given in the table is not determinable at this stage pending the completion of the Issue and will be updated in the Placement Document.*
3) *Balances in column 'Amount Pre-Issue as at March 31, 2024 are as per the Audited Consolidated Financial Statements for the year ended March 31, 2024.*

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Preliminary Placement Document is set forth below:

(In ₹ except share data)

	Particulars	Aggregate value at face value (except for securities premium account)
A	**AUTHORISED SHARE CAPITAL**	
	6,00,00,000[4] Equity Shares of ₹ 5 each	30,00,00,000
B	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**	
	3,20,50,067[4][5] Equity Shares of ₹ 5 each	16,02,50,335
C	**PRESENT ISSUE IN TERMS OF THIS PRELIMINARY PLACEMENT DOCUMENT**	
	Up to [●] Equity Shares aggregating up to ₹ [●] lakhs [1] [2]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL AFTER THE ISSUE**	
	[●] Equity Shares of ₹ 5 each	[●]
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (in ₹ lakhs)	8,106.46
	After the Issue[3]	[●]

(1) *The Issue has been authorised by our Board pursuant to their resolution passed on May 15, 2024. The shareholders have authorised and approved the Issue pursuant to special resolution dated June 13, 2024, passed in their extra-ordinary general meeting.*

(2) *To be determined upon finalisation of the Issue Price.*

(3) *The securities premium amount 'after this Issue' will be calculated on the basis of gross proceeds from this Issue. Adjustments will not include Issue related expenses. To be included upon determination of the Issue Price and will be updated in Placement Document.*

(4) *Our Company has filed a scheme of amalgamation amongst Pitti Castings Private Limited ("**PCPL**") and Pitti Rail and Engineering Components Limited ("**PRECL**") (a wholly owned subsidiary of our Company) and our Company and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with the rules framed thereunder ("**Scheme**"), pursuant to which, PCPL and PRECL will be amalgamated in our Company. In consideration of amalgamation of PCPL and PRECL with our Company and upon the Scheme coming into effect (i) our Company will allot 1 (one) equity share of ₹ 5/- each, fully paid for every 55 (fifty-five) equity shares of PCPL of ₹ 10/-each, fully paid-up; (ii) inter-se shareholding between the Company and PRECL will stand cancelled; and (iii) inter-se shareholding between the Company and PCPL will stand cancelled. Further, authorised share capital of PCPL and PRECL will be transferred and amalgamated with our Company.*

As on the date of this Preliminary Placement Document, the Scheme is subject to necessary statutory/regulatory approvals under applicable laws, including approval of National Company Law Tribunal, Bench at Hyderabad. Accordingly paid-up equity share capital disclosed in this preliminary placement document excludes Equity Shares to be issued by our Company pursuant to the Scheme.

(5) *On account of non-payment of final call money by certain shareholders of the Company, 8,300 partly paid-up equity shares of face value of ₹ 10 each of the Company were forfeited pursuant to resolutions passed by the board of directors of our Company in their meeting held on June 29, 2009.*

Equity Share capital history of our Company

The history of the equity share capital our Company since incorporation is provided in the following table:

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share(₹)	Issue price per Equity Share (₹)	Nature of consideration
September 17, 1983	3	3	100	100	Cash
September 27, 1985	9,700	9,703	100	100	Cash
January 27, 1986^	8,257	17,960	100	100	Cash
March 17, 1986	5,400	23,360	100	100	Cash
April 20, 1986	2,460	25,820	100	100	Cash
April 13, 1987	10,430	36,250	100	100	Cash
March 28,1991	19,125	55,375	100	100	Cash
November 14, 1992	39,625	95,000	100	100	Cash
Pursuant to shareholders' resolution dated November 23, 1992, our Company sub-divided the face value of its equity shares from face value of ₹100 each to equity shares of face value of ₹10 each. Accordingly, the issued, subscribed and the paid-up equity share capital of our Company being 95,000 equity shares of ₹100 each was subdivided into 9,50,000 Equity Shares of ₹10 each.					
December 13, 1993^	300,000	12,50,000	10	20	Cash

Date of allotment	Number of Equity Shares allotted	Cumulative Number of Equity Shares	Face value per Equity Share(₹)	Issue price per Equity Share (₹)	Nature of consideration
April 1, 1994	19,00,000	31,50,000	10	20	Cash
October 9, 2003	21,00,000	52,50,000	10	10	Cash
October 9, 2003	10,00,000	62,50,000	10	10	Cash(1)
June 22, 2005	15,90,000	78,40,000	10	72	Cash
April 26, 2006	4,10,000	82,50,000	10	72	Cash (2)
June 30, 2006	9,60,000	92,10,000	10	120	Cash
April 11, 2007	240,000	94,50,000	10	120	Cash (3)
June 29, 2009	(8,300)	94,41,700	10	N.A.	N.A. (4)
September 7, 2011	40,50,000	1,34,91,700	10	39.15	Cash
Pursuant to shareholders' resolution dated March 16, 2015 our Company sub-divided the face value of its equity shares from face value of ₹10 each to equity shares of face value of ₹5 each. Accordingly, the issued, subscribed and the paid-up equity share capital of our Company being 1,34,91,700 equity shares of ₹10 each was subdivided into 2,69,83,400 Equity Shares of ₹5 each.					
February 14, 2018	28,44,445	2,98,27,845	5	90	Cash(5)
June 24, 2019	22,22,222	3,20,50,067	5	90	Cash (6)

^ We have not been able to trace the filings with the RoC for these issuances. For details please see, "Risk Factors- We are unable to trace certain corporate records in relation to our Company. Non availability of such records may result in regulatory actions against our Company by regulatory or statutory authorities, which may have an adverse impact on our financial condition and reputation" on page 62.

(1) *10,00,000 equity shares of face value of ₹ 10 each were allotted to Industrial Development Bank of India ("**IDBI**") in accordance with the rehabilitation scheme approved by the Board for Industrial Development & Financial Re-construction pursuant to its order dated August 5, 2003.*

(2) *Allotment of equity shares of face value of ₹ 10 each pursuant to conversion of fully convertible share warrants allotted on June 22, 2005, and issued by way of preferential allotment pursuant to shareholders resolution dated June 11, 2005.*

(3) *Allotment of equity shares of face value of ₹ 10 each pursuant to conversion of fully convertible share warrants allotted on June 30, 2006, and issued by way of preferential allotment pursuant to shareholders resolution dated June 16, 2006.*

(4) *On account of non-payment of final call money by certain shareholders of the Company, 8,300 partly paid-up equity shares of face value of ₹ 10 each of the Company were forfeited pursuant to resolutions passed by the board of directors of our Company in their meeting held on June 29, 2009 ("Forfeited Shares"). Accordingly, paid up equity share capital of our Company was reduced from 94,50,000 Equity Shares of face value of ₹ 10 each to 94,41,700 Equity Shares of face value of ₹ 10 each, on account of aforesaid forfeiture of 8,300 partly paid-up equity shares of our Company.*

(5) *2,84,44,45 Equity Shares were allotted to Sharad B Pitti, Akshay S Pitti, and Pitti Electrical Equipment Private Limited in lieu of conversion of the unsecured loans granted to Company.*

(6) *Allotment of Equity Shares pursuant to conversion of fully convertible share warrants allotted on February 14, 2018, and issued by way of preferential allotment pursuant to shareholders resolution dated September 6, 2017.*

Our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Preliminary Placement Document, including for consideration other than cash, or made any allotment of Equity Shares pursuant to a preferential issue, private placement or a rights issue.

Employee Stock Option Plan

The details of our ESOP Scheme in force as on the date of this Preliminary Placement Document are set forth below:

Pitti Engineering Limited - Employee Stock Option Plan 2024

Our Company has formulated employee stock option scheme namely Pitti Engineering Limited - Employee Stock Option Plan 2024 ("**Pitti ESOP Scheme**") pursuant to a Board resolution dated May 15, 2024 and special resolution passed by the Shareholders on June 13, 2024.

The Pitti ESOP Scheme will be implemented and administered by Nomination and Remuneration Committee through Employees Welfare Trust which will be set-up by the Company, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended ("**SEBI ESOP Regulations**"). The Pitti ESOP Scheme envisage grant of options not exceeding 13,00,000 options which are convertible into not more than 13,00,000 Equity Share upon its exercise in accordance with the applicable laws and are subject to corresponding fair and reasonable adjustment in the event of corporate actions by our Company including rights issues, bonus issues, sub-division, merger, and others. The purpose of the Pitti ESOP Scheme *inter-alia* to promote the long-term financial interest in the Company by offering eligible employees an opportunity to participate in the share capital of the Company, to attract and retain high-quality human talent by providing them incentives and reward opportunities, to motivate talented and critical employees and to create a sense of ownership among the employees.

As of the date of this Preliminary Placement Document, no employee stock options have been granted under the Pitti ESOP Scheme. The Pitti ESOP Scheme involves subscription, purchase, or acceptance of equity shares by the Employee Welfare Trust either from the Company or secondary market or by way of both from time to time, in one or more tranches, for the purpose of grant of options to the eligible employees in accordance with SEBI ESOP Regulations.

Proposed Allottees in this Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by the Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue share capital that may be held by them will be included in the Placement Document in the section '*Details of Proposed Allottees*' on page 415.

Pre-Issue and post-Issue shareholding pattern

Sr no	Category	Pre-Issue (As of July 5, 2024)		Post-Issue (for institutional investors) * (As of [●], 2024 for all other categories)	
		No. of Equity Shares Held	% of share holding	No. of Equity Shares held	% of share holding
A.	**Promoters' holding****				
1.	**Indian**				
	Individual	1,03,53,960	32.31	[●]	[●]
	Bodies Corporate	86,47,267	26.98	[●]	[●]
	Sub-total	1,90,01,227	59.29	[●]	[●]
2.	Foreign promoters	Nil	-	[●]	[●]
	Sub-total (A)	**1,90,01,227**	**59.29**	[●]	[●]
B.	**Non - Promoters' holding**				
1.	Institutional Investors	**24,48,764**	**7.64**	[●]	[●]
2.	Non-Institutional Investors			[●]	[●]
	Private Corporate Bodies	**15,92,292**	**4.97**	[●]	[●]
	Directors and relatives	**1,620**	**0.01**	[●]	[●]
	Indian public	**77,36,124**	**24.13**	[●]	[●]
	Others including Non-resident Indians (NRIs)	**12,70,040**	**3.96**	[●]	[●]
	Sub-total (B)	**1,30,48,840**	**40.71**	[●]	[●]
	Grand Total (A+B)	**3,20,50,067**	**100.00**	[●]	[●]

**Note: The table for the post-Issue shareholding pattern of the Company has been intentionally left blank and shall be filled at the time of filing of the Placement Document.*
*** This includes shareholding of the members of the Promoter Group.*

Other Confirmations

- There would be no change in control in our Company consequent to the Issue.
- Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of allotment, except on the Stock Exchanges.
- Our Equity Shares have been listed for a period of at least one year prior to the date of issuance of notice dated May 15, 2024 to the Shareholders for the approval of this Issue.
- There are no outstanding warrants, options, or rights to convert debentures, loans, or other instruments convertible into Equity Shares as on the date of this Preliminary Placement Document.

- Our Promoters, Directors, Key Managerial Personnel, and members of the Senior Management of our Company do not intend to participate in the Issue.

DIVIDEND POLICY

In accordance with the provisions of the Companies Act, 2013, as amended, dividend shall be paid out of (a) relevant financial year's profit, after providing for depreciation in accordance with the provisions of the applicable law; or (b) net profit from any previous financial year(s), after providing for depreciation and remaining undistributed; or (c) out of (a) and (b) mentioned above.

Dividend amounts are determined each Fiscal in accordance with our Board's assessment of, *inter-alia,* our Company's financial performance, operating cash flows, profits earned during the year, distributable surplus available as per applicable laws, past dividend trends, earnings stability, working capital requirements, capital expenditure requirements, business expansion and growth, capital restructuring, debt reduction, capitalization of shares, contingent liabilities, covenants in loan agreements and debt servicing obligations, economic environment, both domestic and global, industry outlook for the future years, statutory and regulatory provisions, and cost of external financing. The declaration and payment of interim dividends, if any, will be approved by the Board of Directors at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended. Further, the declaration and payment of final dividends, if any, will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013, as amended.

The following table details the dividend paid by our Company on the Equity Shares in respect of the Fiscals 2022, 2023, 2024 and from April 1, 2024 until the date of filing of this Preliminary Placement Document:

Particulars	**Fiscal 2022**	**Fiscal 2023**	**Fiscal 2024**	**From April 1, 2024 till the date of the filing of the PPD**
Face value per Equity Share (in ₹)	5	5	5	5
Total Dividend (in ₹ Lakhs)	649.01^	865.35^	-*	Nil
Dividend per share (in ₹ Per Equity Share)	2.03#	2.70@	1.50*	Nil
Rate of dividend (%)	40.50	54.00	30.00	NA
No. of Equity Shares	3,20,50,067	3,20,50,067	3,20,50,067	3,20,50,067

Note: The dividend disclosed in the table above reflects (a) interim dividends declared and paid for respective financial years and (b) final dividend declared for a respective financial year, which has been paid in subsequent financial year upon receipt of shareholder approval.
^ Includes unclaimed dividend of ₹ 5.15 lakhs for Fiscal 2023 and ₹ 5.05 lakhs for Fiscal 2022.
 # Comprises final dividend of ₹ 0.85 declared in Fiscal 2022 and interim dividends of ₹ 1.175 declared and paid in Fiscal 2022.
@ Comprises final dividend of ₹ 1.20 declared in Fiscal 2023 and interim dividend of ₹ 1.50 declared and paid in Fiscal 2023.
** Comprises final dividend of ₹ 1.50 per Equity Share for Fiscal 2024, which has been approved by the Board of Directors through a resolution dated May 15, 2024, and is subject to approval of shareholders in the ensuing annual general meeting.*

Future Dividends

The form, frequency and amount of future dividends on the Equity Shares will depend upon our Company's earnings, cash flow, financial condition and other factors and shall be at the discretion of its Board of Directors and subject to approval of the shareholders of our Company. The amounts paid as dividends in the past are not necessarily indicative of the dividend distribution policy of our Company or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no assurance that any future dividends will be declared or paid or that the amount thereof will not be decreased.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, see "*Statement of Possible Tax Benefits Available to the Company and its Shareholders Under the Applicable Laws in India*" beginning on page 246.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*An investment in the Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Preliminary Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. This section should be read in conjunction with "**Risk Factors**", "**Industry Overview**", "**Our Business**" and "**Financial Statements**" on pages 36, 123, 174 and 258, respectively, before making an investment decision in relation to the Equity Shares. Unless otherwise specified or as the context requires, financial information herein as and for the years ended March 31, 2024, 2023 and 2022 is derived from the Audited Financial Statements.*

Our Audited Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS.

*This discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and our financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements. As such, you should also read "**Risk Factors**" and "**Forward-Looking Statements**" sections in this document on pages 36 and 13, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

Our financial year ends on March 31 of each year. Accordingly, all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ending on March 31 of that year.

Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Pitti Engineering Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Pitti Engineering Limited and its Subsidiaries on a consolidated basis.

*With a view to achieve vertical integration and broaden our footprint across our supply chain and simplify and consolidate our group structure, our Company has strategically decided to integrate Pitti Castings Private Limited, which is involved in the casting business, and PRECL into our operations and has accordingly filed a scheme of amalgamation between PCPL, PRECL, and our Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (our Company, Subsidiaries and PCPCL to be collectively referred to as "**Pitti Group**")*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report "Assessing the Opportunity for Motors, Generators and Components" dated July 6, 2024 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited.*

Overview

We specialize in the manufacturing of a wide range of products such as electrical steel laminations, motor cores, sub-assemblies, die rotors and press tools and are the market leader in lamination vertical, which is part of the rotating electrical equipment vertical, based on revenue for the sub-vertical for Fiscal 2023. (*Source: F&S Report)*.

We have a long-standing experience of over three decades, with our operations commencing in the year 1987 as a manufacturer of electrical laminations for application in motors used in a wide array of electrical equipment. Over the years, for meeting dynamic customer requirements and capitalizing on the market opportunities, we have diversified and revamped our engineering capabilities and processes, with addition of machined castings, core building, shaft manufacturing and assembly, air gap turning, laser cutting, cleat forming, spot and special welding, heat treatment, machining, tool manufacturing, fabrication *etc.* to manufacture and supply a wide range of products, high value-added assemblies components, and ready to wind assemblies used in rotating equipment *i.e.*, stators and rotors for application in diversified set of industries.

Assimilation of such manufacturing capabilities resulted in the development of an integrated end-to-end supply chain for our customers in the rotating electrical equipment vertical. Under the rotating electrical equipment vertical, we have the capability to manufacture laminations ranging up to 1300 mm diameter in size, stator assemblies of up to 1800 mm height weighing a maximum of 10 tons, and with our rotor die casting facility we have capabilities to manufacture rotors with weight and height ranging up to a maximum of 180 kg and 1,500MM, respectively. Set out below is a list of a few key products under rotating electrical equipment vertical:

Product portfolio of Rotating Electrical Equipment

Loose Laminations

Stator Glued Lamination

Pole Lamination

RTU Rotors (Diecast Rotors)

Copper Built up Rotor

RTU Rotor

Stator Core (Traction)

Assembled Stator Core

Stator Core (Traction Alternator)

RTU Stator

Assembled Core (Fan Core)

Assembled Core (Stator and Rotor Pack)

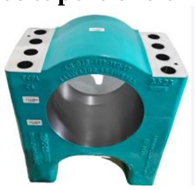
Assembled Core (Magneto Pack)

Barrel

In addition to the manufacturing of products under the rotating electrical equipment vertical, we further leveraged our engineering expertise and machining capabilities to expand into the manufacturing of complex and critical machined components comprising of machined fabricated parts and forged shafts, and also undertake specialized processing and machining to cater to requirements of precision engineering and machining in diversified set of industries including mining, renewable energy and automotive. Set out below is a list of a few products under machined components vertical

Product portfolio of Machined Components

Water Pump Shaft and Armature Shaft



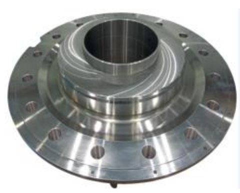
Pedestal Gear Box

Cylinder

Canon Tube

High Speed Planatory Gear Shaft

Stator Frames



Gear Case *Axle Box* *Centre Piot* *Flywheel Flange*

We manufacture and supply a wide range of products under our rotating electrical equipment and machined component verticals for usage in diversified set of industries. Set forth below are the industry wise categorization of our key products:

Key Industries	Types of Part Supplied
Rotating Equipment Vertical	
Renewable energy	Stator and rotor laminations, assembled stator and fully integrated ready to wind rotors with shaft.
Power generation	Stator and rotor laminations and assembled stator and rotors
Data centres	Assembled stator integrated with a landing bar and fully integrated ready to wind rotors with shaft
Consumers	Assembled stator and rotor
Automotive	Assembled stator and rotors, powder coating
Industrial	Assembled stator, diecast rotors and fully integrated ready to wind diecast rotors with shaft
Special purpose motors	Stator and rotor laminations, assembled stator, diecast rotors and fully integrated ready to wind rotors with shaft and copper bar
Mining	Assembled stator
Traction motors and railway components	Stator and rotor laminations and ready to wind stator frames
Machined Components Vertical	
Mining equipment	machined frame, machined barrel, flywheel flange, highspeed and low speed planetary gear shafts
Renewable energy	Module endplate for hydrogen electrolyzers

We have vertically integrated our operations from tooling to laminations and their assemblies; and from machined casting and fabrication to machining and other value-added processes, which we believe has enabled us to provide a comprehensive one stop shop for our clients in rotating equipment vertical. We believe that our focus on producing margin accretive value-added products has led to our transition from being an electrical lamination-led business to a multi-product offering Company. We intend to leverage our engineering expertise, machining capabilities, fabrication and casting experience to further expand our business into the manufacturing of complex and critical machined components, which we believe is both margin accretive and value additive, to a diversified range of end user industries.

Our revenue from sale of machined components vertical has increased from ₹ 9,959.25 lakhs in Fiscal 2022, representing 10.44% of our revenue from operations in Fiscal 2022 to ₹14,714.18 lakhs in Fiscal 2024, representing 12.25% of our revenue from operations in Fiscal 2024, at a CAGR of 13.89%, depicting our increased focus on machined products. For details see "*Our Business - Key Operational and Financial Metrics*" on page 177.

Our facilities

As on date of this Preliminary Placement Document, our Company has four manufacturing facilities comprising three manufacturing facilities located in Telangana (all located in close proximity to each other in Nandigaon) and one facility located in Aurangabad, Maharashtra. For details, see "*Our Business - Our Manufacturing Facilities*" on page 193.

Our Company has also recently acquired Bagadia Chaitra Industries Private Limited ("**BCIPL**"), pursuant to the share purchase agreement dated March 11, 2024, which as on the date of this Preliminary Placement Document is our wholly owned subsidiary. BCIPL is engaged in manufacturing of electrical laminations and die cast rotors with geographical exposure to the regions of South Indian including Karnataka and Tamil Nadu. It has two manufacturing facilities in Tumkur, Karnataka. Through this acquisition, our Company intends to broaden its presence in South India and add to the overall asset base and production capacity. Upon acquisition of BCIPL, we have an aggregate of six manufacturing facilities (one of which is in the process of being reoperationalised) with a combined installed capacity of 72,000 MT, as of March 31, 2024. For details, see "*Our Business - Our Manufacturing Facilities*" on page 193.

Further, we intend to amalgamate Pitti Castings Private Limited ("**PCPL**"), our promoter-led group company, with our Company pursuant to the Scheme with an objective of further vertical integration of our supply chain. PCPL is currently involved in the casting business and has a foundry unit in Hyderabad. We believe that proposed amalgamation will enable us to keep the core competencies required for our business in-house, streamline our production processes, achieve shorter product development and delivery times, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.

We are currently in the process of re-organizing our manufacturing footprint in line with our business strategies. For further details, see "*Our Business- Strategies- Strategic expansion of our manufacturing facilities"* on page 184.

Our manufacturing operations, ranging from tooling, laminations and assemblies to castings, fabrication and machining, are coordinated and managed through a unified SAP software, integrated QMS (Quality Management System) and common manufacturing and marketing teams, which we believe has enabled us to focus on manufacturing of margin accretive and value additive machined products.

We have received quality accreditation certifications for our integrated and management systems which, along with our automative task handling, affirm our software capabilities for process design. For instance, our manufacturing facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015 and IATF 16949:2016, environmental management systems such as ISO 14001:2015. Our manufacturing facilities have also been certified with the requirements of EN 15085 for welding railway vehicles and components, and ISO 3834-2 related to welding products.

Our endeavor and focus are on consistently delivering quality products along with our integrated and advanced manufacturing operations which has enabled us to develop products suited to our customers' requirements, which has, in-turn, helped us in fostering long term customer relationships.

For instance, leveraging our machining capabilities, we had been supplying an international client stator frame integrated assemblies, which in our opinion, eventually enabled us to secure a long-term contract spanning 13 years for supply of various undercarriage parts for locomotives such as rotor cores, journal box, stator frames and cores, *etc*. We have several leading global manufacturers in the locomotive, traction motors, renewable energy, power generation, automotive and other industrial sectors as our clients, which include Wabtec India Industrial Private Limited, Varroc Engineering Limited, Medha Traction Equipment Private Limited and Weg Industries India Private Limited. We have received the "Best Supplier of the Year" award from GE India in 2012, "Product development support excellence award" from Cummins India Limited, received in 2013, "Best performer in quality/on time delivery/lead times" from ABB India Limited in 2018; "the Supplier of the Year" award from Wabtec Corporation in 2022, an award for supplier cost reduction ideas from the Wabtec Corporation in 2023, and Certification of Appreciation from Cummins Generator Technologies in 2024.

We are a promoter driven, professionally managed organization. Our Promoter and Chairman, Sharad B Pitti, has more than 35 years of experience in the precision engineering and manufacturing sector and has played a pivotal role in our Company's innovation, success, and growth. Additionally, Akshay S Pitti, our second-generation Promoter, Managing Director and Chief Executive Officer has extensive experience of serving in different roles within our Company.

Key operational and Financial Metrics

Set out below are our key operating and financial metrics:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(in ₹ lakhs, unless otherwise specified)		
Revenue from operations	1,20,159.64	1,10,017.15	95,382.38
EBITDA(1)	17,770.99	15,138.46	13,262.25
EBITDA margin (%)(2)	14.79%	13.76%	13.90%
EBITDA / MT (in ₹)(3)	42,007	41,707	41,516
PAT	9,019.13	5,883.21	5,186.31
PAT margin (%)(4)	7.22%	5.26%	5.35%
Cash accruals(5)	14,421.04	10,348.44	9,073.99
Return on Capital Employed (%) (6)	16.21%	17.01%	15.72%
Domestic Sales (in MT)	33,149	28,426	25,130
Export Sales (in MT)	9,156	7,871	6,815

Sheet Metal – Total Sales (in MT)	42,305	36,297	31,945
Sheet Metal Produced (in MT)*	40,850	35,803	32,080
Machining hours utilized*	4,16,876	3,42,467	3,07,682

** As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024. Sheet metals forms part of the rotating electrical equipment vertical of the Company.*

Notes-

1. *(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income*
2. *(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*
3. *(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)*
4. *(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income*
5. *(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses*
6. *(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability*

The following table additionally sets forth revenue contribution made by our (A) Rotating equipment vertical and (B) Machined Component vertical to the consolidated revenue from operations of our Company for the years indicated below:

(in ₹ lakhs, unless otherwise specified)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of Revenue from Operations	Revenue from Operations	% of Revenue from Operations	Revenue	% of Revenue from Operations
A. Rotating electrical equipment						
Stator and Rotor Laminations and low value-added assemblies	39,731.93	33.07%	34,550.11	31.40%	25,781.76	27.03%
High value-added assemblies	34,106.15	28.38%	35,443.58	32.22%	33,654.96	35.28%
Stator frame or Rotor shaft integrated assemblies	16,735.30	13.93%	16,507.74	15.00%	11,699.36	12.27%
B. Machined Components	14,714.18	12.25%	10,465.49	9.51%	9,959.25	10.44%
Total of the above two verticals	**1,05,287.56**	**87.63%**	**96,966.92**	**88.13%**	**81,095.33**	**85.02%**
Others(1)	**14,872.08**	**12.37%**	**13,050.23**	**11.87%**	**14,287.05**	**14.98%**
Total Revenue from Operations	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Others include sale of tools, scrap sales and other operating revenue (export incentives) adjusted with price variance & discounts.

The following table sets forth key operating and financial metrics of (A) Pitti Castings Private Limited and (B) BCIPL for the years indicated below:

Pitti Castings Private Limited

(In Rs lakhs, unless otherwise specified)

Particulars*#	Fiscal 2023	Fiscal 2022
Revenue from Operations	15,032.21	13,744.00
EBITDA(1)	1,281.92	791.79
EBITDA margin(2) (%)	8.53%	5.76%
EBITDA / MT(3) (in Rs.)	17,377	10,160
PAT	483.61	(166.11)
PAT Margin(4) (%)	3.21%	-1.21%
Cash accruals(5)	981.52	535.23
Return on Capital Employed(6) (%)	10.30%	1.37%
Domestic Sales (in MT)	7,377	7,793
Export Sales (in MT)	-	-
Total Sales (in MT)	7,377	7,793
Castings Produced (in MT)^	7,990	8,071

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, independent chartered engineer associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.

#Audited standalone financial information of PCPL for Fiscal 2024 is not available as on the date of this Preliminary Placement Document. Accordingly, certain financial information has been included for Fiscals 2023 and 2022.

**Financial information for PCPL as included in this Preliminary Placement Document has been derived from the audited financial statements of PCPL prepared in accordance with the Indian GAAP, and accordingly may not be comparable with financial statements of the Company prepared in accordance with IndAS. For details, see "Risk Factors - We are in the process of undertaking a corporate reorganisation and* *amalgamating certain subsidiaries and promoter-held companies, into and with our Company, subject to necessary statutory/regulatory approvals under applicable law. Since the Scheme is subject to necessary statutory and regulatory approvals under applicable laws including approval of the NCLT, the timing of implementation thereof remains uncertain, and we cannot assure you that we will be able to realise targeted synergies from the proposed amalgamation" on page 41.*

Notes-

(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income
(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

BCIPL

(In Rs lakhs, unless otherwise specified)

Particulars*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	25,038.91	26,406.76	23,707.77
EBITDA(1)	1,736.74	1,411.23	1,514.29
EBITDA margin(2) (%)	6.94%	5.34%	6.39%
EBITDA / MT(3) (in Rs.)	12,641	11,477	14,378
PAT	804.61	417.50	683.52
PAT Margin(4) (%)	3.20%	1.58%	2.88%
Cash accruals(5)	1,014.51	847.47	1,075.29
Return on Capital Employed(6) (%)	24.76%	19.77%	21.92%
Domestic Sales (in MT)	13,379	11,975	10,170
Export Sales (in MT)	360	321	362
Total Sales (in MT)	13,739	12,296	10,532
Sheet Metal Produced (in MT)^	13,493	12,240	10,412

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.

**The financial statements of BCIPL have historically been prepared under Indian GAAP, and will accordingly have to be converted to IndAS, before being consolidated with the financial statements of our Company. These transition adjustments can potentially lead to a significant difference in reported figures of BCIPL and accordingly additional explanation or reconciliation disclosures may have to be included in the consolidated financial statements of our Company. For further details, see "Risk Factors- The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position." on page 39.*

Notes-

(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income
(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Order from significant customers

A significant proportion of our revenues have historically been derived from a limited number of customers. The following table sets forth the details of our revenue contributed by our top 1 customer, top 5 customers and top 10 customers on consolidated basis, for the periods indicated below:

(in ₹ lakhs, except percentages)

Particulars	For the year ended March 31,					
	2024		2023		2022	
	Revenue	As a % of the Revenue from operations	Revenue	As a % of the Revenue from operations	Revenue	As a % of the Revenue from operations
Contribution from top 1 customer	38,479.09	32.02%	33,804.22	30.73%	26,121.31	27.39%
Contribution from top 5 customers	80,434.50	66.94%	73,948.98	67.22%	64,471.15	67.59%
Contribution from top 10 customers	91,941.05	76.52%	85,805.15	77.99%	75,533.84	79.19%

Note: Top customers contributing to revenue for each of the respective years.

The success of our business depends greatly on our ability to effectively implement our business and growth strategy. Our growth strategy requires us to develop and strengthen relationships with existing customers. Any adverse development with such customers, including as a result of a dispute with or disqualification by such major customers, loss of contracts or failure to negotiate acceptable terms, loss of market share of these customers in their industries, adverse change in the financial condition of these customers, decline in their sales, plant shutdowns, labour strikes or other work stoppages affecting production of these customers, change in consumer preferences, technological advancement may result in us experiencing significant reduction in our orders, revenue, cash flows and liquidity. Further, in the event our customers can fulfil their requirements through captive or in house manufacturing or any of our existing or new competitors start providing products with better quality, lead time and / or cheaper cost, we may lose significant portion of our business. Additionally, consolidation of any of our customers may also adversely affect our existing relationships and arrangements with such customers, and any of our customers that are acquired may cease to continue the businesses that require products manufactured by us.

Conditions affecting certain end user industries and markets for the products manufactured by us

Certain of our products including stator and rotor laminations, high value-added assemblies forming stator and rotor cores constituting critical components of motors and generators, and our wide portfolio of machined components are intermediate capital goods for various end user industries. The success of the final products supplied by our customers is critical for our operations since the volume and timing of sales to our major customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. For instance, the COVID 19 pandemic has resulted in a decline in demand for the products manufactured by our major customer groups, which significantly reduced their production levels and consequently had an adverse impact on our financial condition and results of operations.

The table below sets out the revenues from various end-use industries and as a percentage of our revenue from operations for the periods indicated:

(in ₹ lakhs, unless otherwise specified)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations
Renewable Energy	5,441.00	4.53%	5,256.00	4.78%	3,917.00	4.11%
Power Generation	17,262.00	14.37%	15,503.00	14.09%	14,605.00	15.31%
Data Centre	1,998.00	1.66%	2,486.00	2.26%	2,095.00	2.20%
Appliances & Consumer	599.00	0.50%	335.00	0.30%	1,591.00	1.67%
Automotive	544.00	0.45%	680.00	0.62%	-	0.00%
Industrial & Commercial	15,217.00	12.66%	15,160.00	13.78%	15,303.00	16.04%
Special Purpose Motors	10,054.00	8.37%	11,156.00	10.14%	11,222.00	11.77%
Mining, Oil & Gas	8,445.00	7.03%	7,883.00	7.17%	4,745.00	4.97%
Traction Motor & Railway Components	50,025.00	41.63%	37,951.00	34.50%	25,185.00	26.40%
Others (1)	10,574.64	8.80%	13,607.15	12.36%	16,719.38	17.53%
Total	**1,20,159.64**	**100%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Others include sale of tools, scrap sales and other operating revenue (export incentives) adjusted with price variance & discounts

Any adverse development for industries which significantly contributes to our business *inter-alia* adverse regulatory framework or policies, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations, economic or political or financial instability, adverse tax policies or reduction in tax subsidies or incentives, inadequate access to capital for growth of business and operations, decline in market size or demand, technological advancement rendering existing products or technology redundant, change in competitive landscape, adverse change in consumer trends etc. will also have a cascading adverse impact on demand of our products, our business, operations, financial conditions and cash flows.

Dependency on few suppliers for the supply of electrical steel, our primary raw material

We are a leading manufacturer of laminations, components and assemblies for motors and generators, iron & steel castings, fabrication, and precision machining components which are used in varied end-user industries, such as railways, renewable energy, automotive and electrical vehicles, industrial and automation, power, mining, amongst others. High quality electrical steel that meets our requirements is typically supplied by a limited number of suppliers in the Indian market, hence we rely on a few suppliers to supply steel for our operations. Set forth below are the details of the contribution made by our top 1 supplier, top 5 suppliers and top 10 suppliers to our total raw material purchases.

(in ₹ lakhs, except percentages)

	For the year ended March 31, 2024		**For the year ended March 31, 2023**		**For the year ended March 31, 2022**	
Particulars	**Cost of Steel Sourced**	**As a % of the Total raw material purchased**	**Cost of Steel Sourced**	**As a % of the Total raw material purchased**	**Cost of Steel Sourced**	**As a % of the Total raw material purchased**
Contribution from top 1 supplier	26,263.94	31.53%	24,986.10	33.34%	21,431.91	27.18%
Contribution from top 5 suppliers	72,328.86	86.84%	66,677.53	88.98%	65,426.89	82.96%
Contribution from top 10 suppliers	76,706.98	92.10%	69,723.73	93.05%	70,912.53	89.92%

Note: Top suppliers contributing to total raw material purchased for each of the respective years

Any disruption in the operations of any of these suppliers, due to capacity limitations, industry shortages, labour or social unrest, weather emergencies, commercial disputes, government actions, riots, wars, pandemic, sabotage, cyberattacks, non-conforming parts, acts of terrorism, "Acts of God", financial or operational instability of suppliers, or other problems that our suppliers may experience, can lead to delays or interruptions in the supply chain, causing production slowdowns or halts.

The loss of a significant supplier, or any labour issues or work stoppages at a significant supplier could also prevent our Company from delivering to its customers, or cause returns of products under warranty or product recalls. This would have a material adverse impact on our customer relations, reputation and business and generate additional costs for our Company such as increased transportation costs and costs related to finding alternative suppliers within constrained timelines which could adversely impact our financial condition.

Further, as we generally have short term arrangements with our suppliers for a maximum period of one year, which may in certain circumstances be extended by mutual agreement, the success of our business is significantly dependent on maintaining good relationships with our suppliers. Absence of long-term supply contracts subject us to risks such as commodity market fluctuations, currency fluctuations, climatic and environmental conditions, production and transportation costs, changes in domestic as well as international government policies, and regulatory and trade sanctions. As a result, we continue to remain susceptible to the risks arising out of price fluctuations as well as import duties, which could result in a decline in our operating margins.

Acquisition costs and ability to integrate and derive synergies from the Bagadia Acquisition

Our results of operation and profitability will depend on the costs associated with the Bagadia Acquisition and our ability to integrate and derive synergies from them. We completed the Bagadia Acquisition on May 6, 2024, as intimated by way of our announcement to BSE and NSE on May 6, 2024.

Our ability to grow our revenue to recover our Bagadia Acquisition costs and remain profitable will depend on the synergies we derive from the transactions. Our targeted synergies include broadening our presence in South India, adding to our overall asset base and production capacity, and entering new end-user segments. Our ability to realise anticipated benefits and the timing of this acquisition may be affected by a variety of factors, including but not limited to:

- Challenges of entering a new geographical region and being exposed to uncertainties regarding market demand, customer preferences, competition, and regulatory environment.
- Competition from local incumbents in the South Indian region
- Inability to retain the customer base of BCIPL
- Inability to retain and/or replace key manpower of BCIPL.
- Unforeseeable events, including major changes in the industries in which our Company and BCIPL operate.

If the anticipated benefits that our Company expects are not realised or are delayed, our business, results of operations, financial condition and prospects could be adversely affected. Even if we are able to successfully integrate our businesses and operations, it may not be possible to realise the full benefits of the integration opportunities, the synergies that we currently expect to result from the Bagadia Acquisition, or realise these benefits within the time frame that we currently expect.

Implementation of the amalgamation of PRECL and PCPL, into and with our Company, and the ability to integrate and derive synergies from the amalgamation

We intend to amalgamate Pitti Castings Private Limited (PCPL), our promoter-led group company, and Pitti Rail and Engineering and Components Limited (PRECL), our wholly-owned subsidiary, into and with our Company, pursuant to the scheme of amalgamation between PCPL, PRECL, and our Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (the "**Scheme**"). Pursuant to such amalgamation, PCPL and PRECL will stand dissolved.

PRECL is the wholly-owned subsidiary of our Company which doesn't have any active business operations. The amalgamation of PRECL into and with our Company is therefore intended to simplify our corporate structure.

PCPL is currently engaged in the business of manufacturing, repairing and dealing in iron and steel forgings, castings, plates and boilers. Our Company is a leading manufacturer of laminations, components and assemblies for motors and generators, fabrication, and precision machining components which are used in varied end-user industries, such as railways, renewable energy, automotive and electrical vehicles, industrial and automation, power, mining, amongst others. Our unified operations have enabled us to provide high-value added assemblies of stators and rotors which serve as extensive, comprehensive, and one-stop-shop engineering solutions. Castings is an integral part of our manufacturing operations. Most of our manufacturing processes have been established in-house, with the exception of castings, which is operated by PCPL. Through the amalgamation of PCPL with our Company, we thereby intend to strategically integrate the castings business in our operations.

However, the amalgamation of PRECL and PCPL into and with our Company may involve several risks, including:

- difficulties assimilating and integrating our Company's operations with that of the amalgamated entities (including retaining key personnel of PRECL and PCPL under the management of our Company)
- inability to retain key clients of PCPL
- difficulties in evaluating the contractual, financial and other obligations and liabilities associated with the amalgamated entities, including the appropriate implementation of financial oversight and internal controls
- unanticipated liabilities or contingencies relating to the acquired entity
- obtaining, maintaining and complying with the conditions prescribed under necessary permits, certificates, key accreditations, licenses and approvals from governmental and regulatory authorities and agencies, held by the amalgamated entities.

If we are unable to successfully amalgamate the business operations of our Company, we may not be able to realize all the benefits we currently expect as a result of the amalgamation. Any failure to realize the anticipated benefits in a timely manner, or at all, could have an adverse effect on our business, results of operations, financial condition and cash flows with consequential impact on financial statements.

Geographical concentration of our manufacturing facilities

We substantially operate our engineering business, including our manufacturing processes, out of and around principal manufacturing facilities that are located at Telangana and Maharashtra in India. Set forth below are the details of the revenue contributed by each of the manufacturing facilities for the periods indicated below:

(in ₹ lakhs, except percentages)

	For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
Particulars	**Amount**	**As a % of the Revenue from operations**	**Amount**	**As a % of the Revenue from operations**	**Amount**	**As a % of the Revenue from operations**
Revenue generated from the manufacturing facilities located in Telangana	65,684.76	54.66%	54,463.56	49.50%	43,550.75	45.66%
Revenue generated from the manufacturing facilities located in Maharashtra	54,474.88	45.34%	55,553.59	50.50%	51,831.63	54.34%

If our existing manufacturing facilities are harmed or rendered inoperable by factors such as increased competition as more players enter into these geographies, general economic conditions, laws and regulations, natural or man-made disasters, including earthquakes, fire, floods, acts of terrorism, pandemic and power outages, social unrest, political or social instability or any other adverse circumstances, it may render it difficult or impossible for us to efficiently operate our business for some time, or require us to shut major part of our operations, which may adversely affect our business, financial condition, result of operations and cash flows.

Further, in the event of any force majeure instance, we may be required to re-locate our production line in so far as it extends to the products being manufactured, and such re-location may involve a significant capital expenditure and time resulting in loss of business and an adverse effect our operations and financial condition. Any products manufactured in relocated facility may further required to be approved by the customer for quality standards, failure of which may result in an adverse impact on our business, operations, financial condition and cash flows.

Competition

The markets wherein we operate are competitive, rapidly evolving and are characterized by frequent introductions of new and improved solutions, applications and technologies.

While we are the market leader in the laminations vertical, which is part of our main rotating electrical equipment product vertical, based on the revenue generated from laminations in Fiscal 2023 (*Source: F&S Report)*, we may have to compete with global competitors to retain our existing business as well as to acquire new business. Some of these competitors may have certain advantages, including greater financial, brand equity/ greater reputation, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios. Further, our customers may backward integrate by setting up facilities to manufacture our products or increasing their existing capacities for the same.

As a result, to remain competitive in the market we must, in addition, continuing to meet exacting quality standards, continuously strive to reduce our production and distribution costs and improve our operating efficiencies. Failure to compete effectively may have an adverse effect on our business, financial condition, and results of operations. Moreover, the competitive nature of the industry that we operate in may result in lower prices for our products and decreased profit margins, which may materially adversely affect our revenue and profitability.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

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

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

1.2 BASIS OF PREPARATION AND PRESENTATION

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.
The Consolidated financial statements of the Group are presented in Indian Rupees (₹), which is also its functional currency, and all values are rounded to the nearest lakh (₹ 00,000), except when otherwise indicated.

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

1.3 PRINCIPLES OF CONSOLIDATION

(a) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like-items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.
(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
(c) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
(d) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

1.4 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) **Basis of Accounting**

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act,2013 as amended from time to time.

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

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

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

(b) Significant accounting judgments, estimates and assumptions

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

The management believes that the estimates used in the preparation of Consolidated financial statements are prudent and reasonable. Estimates and underlying assumptions are reviewed at each reporting date. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future period is effected.

(c) **Current/ Non-Current Classification**

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

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

The Group classifies all other assets as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

1.5. **A. PROPERTY, PLANT AND EQUIPMENT**

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

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

Such cost includes the cost of replacing part of the plant and equipment, costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same were depreciated separately based on their specific useful lives.

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

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

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

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

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

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

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

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, Plant and Equipment is provided on straight-line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing ₹5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

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

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

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

B. INTANGIBLE ASSETS

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

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

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

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

Development expenditures on an individual product/project are recognized as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development. Product development cost is amortized on a straight-line basis over a period of 60 months.

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

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

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

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

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

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

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

1.7. REVENUE RECOGNITION

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

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

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

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

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

(a) Interest income

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

(b) Dividend income

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

(c) Other Income

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

1.8. INVESTMENTS

The Group has accounted for its investment in subsidiary at cost less impairment loss (if any).
All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the company has elected to present the change in ‘Other Comprehensive Income’.

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

1.9. INVENTORIES

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

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

1.10 CASH AND CASH EQUIVALENTS:

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

1.11. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

(a) Initial Recognition

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

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

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

1.12. EMPLOYEE BENEFITS

Short term employee benefits:

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

Post-employment benefits

Defined Contribution Plan

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

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

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

Defined Benefit Plan

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

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

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

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

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

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognizes related restructuring costs

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

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

(ii) Net interest expense or income

Termination Benefits

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

1.13. BORROWING COSTS

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

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

1.14. LEASES

The Group as a lessee

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

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

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

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

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

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

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

1.15. EARNINGS PER SHARE

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

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

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

1.16. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.12 for the segment information presented.

1.17. PROVISIONS AND CONTINGENCIES

The Group creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of the obligation.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

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

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

1.18. TAXATION

Current Income Tax

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.
The Group has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2024 have been made accordingly.

Deferred Tax

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.19. FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Recognition and Measurement

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

Subsequent Measurement

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

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

Debt Instruments at Amortized Cost

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

a) The asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows, And
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity Investments

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

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

Derecognition

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

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either

(a) The Group has transferred substantially all the risks and rewards of the asset, or
(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

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

Derivative Financial Instrument and Hedge Accounting

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

Fair Value Measurement

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

Levels of Risk in Fair Value Measurement:
Level 1 – The fair value of financial instruments quoted in active markets is based on their quoted in active market is based on their quoted closing price at the balance sheet date.
Level 2 – The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
Level 3 – The fair value of financial instruments that are measured on the basis of entity specific valuation using inputs that are not based on observable market data (unobservable inputs)

1.20. EXCEPTIONAL ITEM

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

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

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

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during the Fiscals 2024, 2023 and 2022.

NON-GAAP MEASURES

Certain measures including EBITDA, EBITDA Margin, PAT margin, cash accruals, among others (together, "**Non-GAAP Measures**"), presented in this Preliminary Placement Document are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with Ind AS, IFRS or U.S. GAAP. Furthermore, these Non-GAAP Measures, are not a measurement of our financial performance or liquidity under Indian GAAP, IFRS or U.S. GAAP and should not be considered as an alternative to net profit/loss, revenue from operations or any other performance measures derived in accordance with Ind AS, IFRS or U.S. GAAP or as an alternative to cash flow from operations or as a measure of our liquidity. These Non- GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability, or cash flows generated by operating, investing, or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. In addition, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such Non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations, and (ii) other income.

Revenue from operations

Revenue from operations primarily comprises of (i) revenue from sale of products and services, which primarily includes (a) sale of products (domestic and exports) and (b) job work & service income; and (ii) revenue from export incentives.

Other Income

Other income includes (i) interest of deposits; (ii) profit on sale of assets; (iii) industrial incentives; (iv) other miscellaneous receipts and (v) dividend income.

Expenses

Our expenses comprise (i) cost of materials consumed; (ii) purchases of stock-in-trade; (iii) changes in inventories of finished goods, stock-in-trade and work-in-progress; (iv) employee benefit expenses; (v) finance costs, (vi) depreciation and amortisation expenses and (vii) other expenses.

Cost of materials consumed

Cost of materials consumed comprises costs incurred in connection with consumption of various kinds of raw materials required for producing the finished products, and includes all direct costs incurred in the course of such procurement, such as freight inward, customs duty, etc., for the reporting period.

Changes in inventories of work-in-process, finished goods and scrap

Changes in inventories of finished goods, stock-in-trade and work-in-progress represents the net increase or decrease in finished goods, work-in-progress and stock-in-trade at the beginning of the year and end of the year.

Employee benefit expenses

Employee benefit expenses refer to (i) employees remuneration and benefits; (ii) contribution to provident fund and ESI; (iii) gratuity expenses; (iii) remuneration to directors; and (iv) staff welfare expenses.

Finance Costs

Finance cost refers to (i) interest on long term debt ; (ii) interest on short term debt ; (iii) other interest; (iv) other finance cost and (v) net forex loss/ (gain).

Depreciation and amortization expenses

Depreciation and amortization expense primarily comprise the depreciation on property, plant and equipment and on ROU assets and amortization is on account of intangible assets.

Other expenses

Other expenses primarily comprise (i) packing cost; (ii) other selling and distribution expenses; (iii) carriage costs; (iv) professional consultancy; (v) travelling and conveyance expenses; (vi) forex on export receivables and imports payable; (vii) other miscellaneous expenses and (viii) insurance expenses.

Tax expenses

Tax expenses mainly comprise of current tax expenses, tax expenses of earlier years and deferred tax expenses.

OUR RESULTS OF OPERATIONS

The following table sets forth the breakdown of our results of operations for the periods indicated on a consolidated basis:

Particulars	**FY 2024**		**FY 2023**		**FY 2022**	
	Amount (₹ Lakhs)	**(% of Total Income)**	**Amount (₹ Lakhs)**	**(% of Total Income)**	**Amount (₹ Lakhs)**	**(% of Total Income)**
Income						
Revenue from Operations	1,20,159.64	96.14%	1,10,017.15	98.41%	95,382.38	98.31%
Other income	4,820.89	3.86%	1,782.68	1.59%	1,642.55	1.69%
TOTAL INCOME	**1,24,980.53**	**100.00%**	**1,11,799.83**	**100.00%**	**97,024.93**	**100.00%**
Expenses						
Cost of Materials consumed	80,040.96	64.04%	78,143.23	69.90%	69,425.51	71.55%
Changes in inventories of work-in-process, finished goods and scrap	550.41	0.44%	87.57	0.08%	(1,610.57)	(1.66) %
Employee benefits expenses	10,816.48	8.65%	8,662.85	7.75%	7,847.11	8.09%

Particulars	FY 2024		FY 2023		FY 2022	
	Amount (₹ Lakhs)	(% of Total Income)	Amount (₹ Lakhs)	(% of Total Income)	Amount (₹ Lakhs)	(% of Total Income)
Income						
Finance costs	4,999.30	4.00%	4,465.41	3.99%	3,960.50	4.08%
Depreciation and amortization expenses	5,401.91	4.32%	4,465.23	3.99%	3,887.68	4.01%
Other expenses	10,980.80	8.79%	7,985.04	7.14%	6,458.08	6.66%
TOTAL EXPENSES	**1,12,789.86**	**90.25%**	**1,03,809.33**	**92.85%**	**89,968.31**	**92.73%**
Profit before tax	**12,190.67**	**9.75%**	**7,990.50**	**7.15%**	**7,056.62**	**7.27%**
Tax Expenses						
(a) Current tax	3,523.79	2.82%	2,130.09	1.91%	1,955.15	2.02%
(b) Tax relating to earlier years	(6.48)	(0.01) %	(1.31)	(0.00) %	10.20	0.01%
(c) Deferred tax	(345.77)	(0.28) %	(21.49)	(0.02) %	(95.04)	(0.10) %
TOTAL TAX EXPENSES	**3,171.54**	**2.53%**	**2,107.29**	**1.88%**	**1,870.31**	**1.93%**
Profit for the period	**9,019.13**	**7.22%**	**5,883.21**	**5.26%**	**5,186.31**	**5.35%**
Other Comprehensive Income						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement of the net defined benefit (liability)/assets	(561.14)	(0.45) %	(31.74)	(0.03) %	2.93	0.00%
Change in fair value of non-current investment	5.71	0.00%	(126.48)	(0.11) %	-	0.00%
Change in fair value of current investment	-	0.00%	0.37	0.00%	(0.33)	(0.00)%
Income tax relating to items that will not be reclassified subsequently to profit or loss	139.79	0.11%	39.73	0.04%	-	0.00%
Items that will be reclassified subsequently to profit or loss						
Total other comprehensive income	(415.64)	(0.33) %	(118.12)	(0.11) %	2.60	0.00%
Total Comprehensive Income	8,603.49	6.88%	5,765.09	5.16%	5,188.91	5.35%

Our Results of Operations

Fiscal 2024 compared to Fiscal 2023

TOTAL INCOME: Our total income increased by 11.79%, from ₹1,11,799.83 lakhs in Fiscal 2023 to ₹1,24,980.53 lakhs in Fiscal 2024. This was primarily attributable to the following:

Revenue from Operations: Our revenue from operations in Fiscal 2024 increased by 9.22% from ₹1,10,017.15 lakhs in Fiscal 2023 to ₹120,159.64 lakhs in Fiscal 2024, primarily on account of:

i) increase in the sale of our products by 16.55% from 36,297 MT in Fiscal 2023 to 42,305 MT in Fiscal 2024. However, this was offset by the decrease in the blended sales per realization per MT i.e. revenue from operations divided by total sheet metal sold (in MT), from ₹3,03,103 in Fiscal 2023 to ₹2,84,032 in Fiscal 2024 which was primarily on account of reduction in steel prices in the industry, which were eventually passed on to the customers.

ii) an increase in the export incentives and others by 82.10% from ₹540.95 lakhs in Fiscal 2023 to ₹985.06 lakhs in fiscal 2024 due to an increase in export of products which are eligible for export incentives.

Other Income: Other income increased by 170.43% from ₹1,782.68 lakhs in Fiscal 2023 to ₹ 4,820.89 lakhs in Fiscal 2024. This was primarily on account of an increase in the industrial promotion subsidy amount from ₹4,354.02 lakhs, which was accounted for in Fiscal 2024, as compared to the subsidy amount of ₹1,479.08 lakhs, which was accounted for in Fiscal 2023. The additional subsidy amount accounted for during the Fiscal 2024 is related to the subsidy amounts accrued during Fiscals 2022 and Fiscal 2023, pursuant to the addenda letter received from the Directorate of Industries Government of Maharashtra, under the Package Scheme of Incentive Policy (PSI) 2013 which provided for the enhancement of Company's Industrial Promotion Subsidy (IPS) to ₹16,865.05 lakhs from the existing ₹10,360.52 lakhs with an annual cap of ₹3,171.62 lakhs per year from the existing ₹1,480.07 lakhs per year.

EXPENSES

TOTAL EXPENSES: Total expenses increased by 8.65% from ₹1,03,809.33 lakhs in Fiscal 2023 to ₹1,12,789.86 lakhs in Fiscal 2024, this was primarily on account of:

Cost of materials consumed: Our cost of materials consumed increased by 2.43 %, from ₹78,143.23 lakhs in Fiscal 2023 to ₹80,040.96 lakhs in Fiscal 2024. This increase was primarily on account of higher volume of production in Fiscal 2024.

Changes in inventories of work-in-process, finished goods and scrap: Our adjustment for decrease in work-in-process, finished goods and scrap was ₹550.41 lakhs in Fiscal 2024 compared to a decrease of ₹87.57 lakhs in Fiscal 2023. This was primarily due to sale of finished products from the opening stock as well as stock produced during the current fiscal year.

Employee benefits expenses: Employee benefits expenses increased by 24.86% from ₹8,662.85 lakhs in Fiscal 2023 to ₹10,816.48 lakhs in Fiscal 2024. This was primarily due to:

a) an increase in the salaries, wages, bonus of the employees by 21.08% from ₹7,954.95 lakhs in Fiscal year 2023 to ₹9,632.13 lakhs in Fiscal 2024;
b) increase in contribution to Provident and other funds by 3.30% from ₹358.92 lakhs in Fiscal 2023 to ₹370.76 lakhs in Fiscal 2024; and
c) increase in staff welfare expenses by 123.30% from ₹289.19 lakhs in Fiscal 2023 ₹645.75 lakhs in Fiscal 2024.

These increases are attributable to an increase in the amount of manpower as a consequence of the increase in production.

Finance costs: Finance costs increased by 11.96% from ₹4,465.41 lakhs in Fiscal 2023 to ₹4,999.30 lakhs in Fiscal 2024. This was primarily attributable to the following:

a) An increase in the interest on long-term debt by 1.94% from ₹1,315.98 lakhs in Fiscal 2023 to ₹1,341.56 lakhs in Fiscal 2024 on account of the increase in long-term debts for the purpose of capex;
b) An increase in the interest on short term debt by 45.70% from ₹1,375.51 lakhs in Fiscal 2023 to ₹2,004.12 lakhs in Fiscal 2024 on account of the increase in higher utilization of working capital facilities; and
c) An increase in the other interest by 48.22% from ₹463.90 lakhs in Fiscal 2023 to ₹687.59 lakhs in Fiscal 2024 due to increase in interest on lease liabilities.

The increase in finance costs was partially offset by inter alia; decrease in other finance cost by 15.85% from ₹1,094.95 lakhs in Fiscal 2023 to ₹921.43 lakhs in Fiscal 2024 and a decrease in forex loss on ECB loans by 79.26% from ₹215.07 lakhs in Fiscal 2023 to ₹44.60 lakhs in Fiscal 2024 due to effective hedging.

Depreciation and amortization expenses: An increase in the depreciation and amortization expenses increased by 20.98% from ₹4,465.23 lakhs in Fiscal 2023 to ₹5,401.91 lakhs in Fiscal 2024 mainly due to an increase in fixed assets.

Other expenses: Other expenses increased by 37.52% from ₹7,985.04 lakhs in Fiscal 2023 to ₹10,980.80 lakhs in Fiscal 2024, primarily on account of

- An increase in the consumption of stores, spares, tools and dies by 69.85% from ₹1,763.30 lakhs in Fiscal 2023 to ₹2,994.90 lakhs in Fiscal 2024 due to an increase in production.
- An increase in the power and fuel costs by 32.80% from ₹1,056.03 lakhs in Fiscal 2023 to ₹1,402.45 lakhs in Fiscal 2024. The increase was mainly attributable to increased power consumption due to increase in production.
- An increase in the repairs and maintenance costs by 64.34% from ₹451.17 lakhs in Fiscal 2023 to ₹741.44 lakhs in Fiscal 2024 due to an increase in number of machineries and increase in factory maintenance cost.
- An increase in the other selling and distribution expenses by 27.67% from ₹574.40 lakhs in Fiscal 2023 to ₹733.31 lakhs in Fiscal 2024, mainly due to the increase in warehouse rents.
- An increase in the packing cost by 22.59% from ₹1,269.07 lakhs in Fiscal 2023 to ₹1,555.75 lakhs in Fiscal 2024 due to the increase in sales quantity.
- An increase in carriage outward expenses by 22.59% from ₹538.36 lakhs in Fiscal 2023 to ₹659.99 lakhs in Fiscal 2024 due to the increase in domestic sales.
- An increase in the travelling and conveyance expenses by 2.75% from ₹420.38 lakhs in Fiscal 2023 to ₹431.94 lakhs in Fiscal 2024 due to the increase in foreign travel for business purposes.
- An increase in the insurance cost by 59.78% from ₹263.93 lakhs in Fiscal 2023 to ₹421.72 lakhs in Fiscal 2024 mainly due to the increase in fixed assets.
- An increase in professional consultancy expenses by 46.66% from ₹533.70 lakhs in Fiscal 2023 to ₹782.75 lakhs in Fiscal 2024, primarily on account of increase in supporting services taken for various corporate actions taken by the company.
- An increase in CSR Expenses from ₹21.61 lakhs in Fiscal 2023 to ₹131 lakhs in Fiscal 2024, in compliance with the statutory requirements.
- An increase in miscellaneous expenses by 78.89% from ₹402.59 lakhs in Fiscal 2023 to ₹720.18 lakhs in Fiscal 2024, which includes security and safeguard expenses, printing & stationary, calibration and testing charges, office maintenance, etc. The increase was in line with the growth in the operations of the Company.

The other expenses were partially offset by inter alia:

- A decrease in the forex loss on export receivables & import payables by 72.90% from ₹412.04 lakhs in Fiscal 2023 to ₹111.66 lakhs in Fiscal 2024. The decrease was mainly due to hedging activity.

Profit before tax: For the various reasons disclosed above, our profit before tax increased by 52.56% from ₹7,990.50 lakhs in Fiscal 2023 to ₹12,190.67 lakhs in Fiscal 2024.

Tax Expenses: Current tax was ₹3,523.79 lakhs in Fiscal 2024 as compared to ₹2,130.09 lakhs in Fiscal 2023; tax relating to earlier year was ₹(6.48) lakhs in Fiscal 2024 as compared to ₹(1.31) lakhs in Fiscal 2023 and deferred tax income was ₹345.77 lakhs in Fiscal 2024 as compared to ₹21.49 lakhs in Fiscal 2023.

Profit for the year (Profit after tax): For the various reasons disclosed above, we recorded a profit for the year of ₹9,019.13 lakhs in Fiscal 2024 as compared to ₹5,883.21 lakhs in Fiscal 2023.

Fiscal 2023 compared to Fiscal 2022

Total Income: Our total income increased by 15.23 %, from ₹97,024.93 in Fiscal 2022 to ₹1,11,799.83 lakhs in Fiscal 2023. This was primarily attributable to the following:

Revenue from Operations: Our revenue from operations increased by 15.34% from ₹95,382.38 lakhs in Fiscal 2022 to ₹1,10,017.15 lakhs in Fiscal 2023. This was which was majorly due to:

a) An increase in sale of our products by 13.62% from 31,945 MT in Fiscal 2022 to 36,297 MT in Fiscal 2023. The blended sale realization per MT i.e. revenue from operations divided by total sheet metal sold (in MT) increased by 1.51 % from ₹2,98,583 in Fiscal 2022 to ₹3,03,103 in Fiscal 2023.
b) An increase in the export incentives and others by 39.76 % from ₹387.06 lakhs in Fiscal 2022 to ₹540.95 lakhs in fiscal 2023 due to an increase in export revenue by 25.12% from ₹29,611.96 lakhs in fiscal 2022 to ₹37,051.04 lakhs in fiscal 2023.

Other Income: Other income increased by 8.53% from ₹ 1,642.55 lakhs in Fiscal 2022 to ₹ 1,782.68 lakhs in

Fiscal 2023. This was primarily on account of an increase in the industrial promotion subsidy under PSI 2013 from ₹1,051.46 lakhs in Fiscal 2022 to ₹1,479.08 lakhs in Fiscal 2023 and an increase in interest from Fixed Deposits from ₹96.39 lakhs in Fiscal 2022 to ₹177.86 lakhs in Fiscal 2023.

This increase was partially offset by *inter alia* a decrease in other miscellaneous income by 77.59% from ₹464.56 lakhs in Fiscal 2022 to ₹104.04 lakhs in Fiscal 2023.

Expenses

Total expenses: Total expenses increased by 15.38 % from ₹89,968.31 lakhs in Fiscal 2022 to ₹1,03,809.33 lakhs in Fiscal 2023 primarily on account of the following:

Cost of materials consumed: An increase in the cost of materials consumed by 12.56 % from ₹69,425.51 lakhs in Fiscal 2022 to ₹78,143.23 lakhs in Fiscal 2023. This increase was primarily on account of higher volume of production in Fiscal 2023.

Changes in inventories of work-in-process, finished goods and scrap: Our adjustment for increase in work-in-process, finished goods and scrap was ₹1,610.57 lakhs in Fiscal 2022 compared to a decrease of ₹87.57 lakhs in Fiscal 2023. This was primarily due to sale of finished products from the opening stock as well as stock produced during the current fiscal year.

Employee benefits expenses: An increase in the employee benefits expenses by 10.40% from ₹7,847.11 lakhs in Fiscal 2022 to ₹8,662.85 lakhs in Fiscal 2023. This increase was primarily due to an increase in salaries, wages, bonus by 11.35% from ₹7,144.09 lakhs in Fiscal year 2022 to ₹7,954.95 lakhs in Fiscal 2023 and an increase in contribution to Provident and other funds by 3.47% from ₹346.89 lakhs in Fiscal 2022 to ₹358.92 lakhs in Fiscal 2023. These increases are attributable to an increase in account of manpower due to increased production.

Finance costs: An increase in the finance cost by 12.75 % from ₹3,960.50 lakhs in Fiscal 2022 to ₹4,465.41 lakhs in Fiscal 2023. This increase was primarily due to:

a) An increase in the forex loss on ECB loans from ₹34.57 lakhs in Fiscal 2022 to ₹215.07 lakhs in Fiscal 2023 mainly due to an increase in Forex exchange rate;
b) An increase in interest on Term Loans by 3.82% from ₹1,267.52 lakhs in Fiscal 2022 to ₹1,315.98 lakhs in Fiscal 2023 due to an increase in long-term debts for the purpose of capex; and
c) An increase in interest on working capital by 11.01% from ₹1,239.07 lakhs in Fiscal 2023 to ₹1,375.51 lakhs in Fiscal 2023 mainly due to an increase in higher utilization of working capital facilities.

The increase in the finance costs was partly offset by decrease in other interest and interest as per IndAS which decreased by 10.55% from ₹518.61 lakhs in Fiscal 2022 to ₹463.90 lakhs in Fiscal 2023 mainly due to decrease in interest on lease liabilities and interest on income tax etc.

Depreciation and amortization expenses: Depreciation and amortization expenses increased by 14.86% from ₹3,887.68 lakhs in Fiscal 2022 to ₹4,465.23 lakhs in Fiscal 2023 mainly due to an increase in fixed assets.

Other expenses: Other expenses increased by 23.64% from ₹6,458.08 lakhs in Fiscal 2022 to ₹7,985.04 lakhs in Fiscal 2023, primarily due to

- An increase in the repairs & maintenance costs by 102.87% from ₹222.39 lakhs in Fiscal 2022 to ₹451.17 lakhs in Fiscal 2023 due to increase in number of machineries and increase in factory maintenance cost.
- An increase in the consumption of stores, spares, tools and dies by 1.35% from ₹1,739.80 lakhs in Fiscal 2022 to ₹1,763.30 lakhs in Fiscal 2023. The increase was mainly due to increased production.
- An increase in the power and fuel costs by 33.16 % from ₹793.08 lakhs in Fiscal 2022 to ₹1,056.03 lakhs in Fiscal 2023. The increase was mainly due to the increased power consumption attributable to the increase in production.
- An increase in the other selling & distribution expenses by 24.55% from ₹461.19 lakhs in Fiscal 2022 to ₹574.40 lakhs in Fiscal 2023. The increase was mainly due to the increase in warehouse rents.
- An increase in packing cost by 25.16% from ₹1,013.94 lakhs in Fiscal 2022 to ₹1,269.07 lakhs in Fiscal 2023, primarily due to the increase in sales quantity.
- Carriage outwards increase by 5.76% from ₹509.04 lakhs in Fiscal 2022 to ₹538.36 lakhs in Fiscal 2023. The increase was due to the increase in domestic sales.
- An increase in the travelling & conveyance expenses by 38.08% from ₹304.45 lakhs in Fiscal 2022 to ₹420.38 lakhs in Fiscal 2023. The increase was due to the increase in the business-related trips.

- An increase in the insurance cost by 12.28% from ₹235.06 lakhs in Fiscal 2022 to ₹263.93 lakhs in Fiscal 2023. The increase was mainly due to the increase in fixed assets.
- An increase in the forex loss on export receivables and import payables by 607.73% from ₹58.22 lakhs in Fiscal 2022 to ₹412.04 lakhs in Fiscal 2024 mainly due to an increase in exchange rates.
- An increase in professional consultancy expenses by 16.17% from ₹459.40 lakhs in Fiscal 2022 to ₹533.70 lakhs in Fiscal 2023. The increase was due to availing various professional and advisory services for supporting the increased business operations.
- An increase in miscellaneous expenses by 26.64% from ₹317.89 lakhs in Fiscal 2022 to ₹402.59 lakhs in Fiscal 2023, primarily on account of our increased operations.

which was partially offset by inter alia:

- A decrease in CSR expenses by 84.44 % from ₹138.86 lakhs in Fiscal 2022 to ₹21.61 lakhs in Fiscal 2023. In fiscal 2022, the Company has undertaken campaign for Covid-19 vaccination and had incurred CSR expenses which were substantially higher than the statutory required amount, which had been adjusted in the subsequent fiscal.

Profit before tax: For the various reasons disclosed above, our profit before tax increased by 13.23% from ₹7,056.62 lakhs in Fiscal 2022 to ₹7,990.50 lakhs in Fiscal 2023.

Tax Expenses: Current tax was ₹2,130.09 lakhs in Fiscal 2023 as compared to ₹1,955.15 lakhs in Fiscal 2022; tax relating to earlier year was ₹(1.31) lakhs in Fiscal 2023 as compared to ₹10.20 lakhs in Fiscal 2022 and deferred tax income was ₹21.49 lakhs in Fiscal 2023 as compared to ₹95.04 lakhs in Fiscal 2022.

Profit for the period: For the various reasons disclosed above, our profit for the period was ₹5,883.21 lakhs in Fiscal 2023 as compared to ₹5,186.31 lakhs in Fiscal 2022.

CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years/period indicated:

(Amount ₹ in lakhs)

Sr. no.	Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
1	Net cash from Operating Activities (A)	7,358.35	22,216.17	8,791.13
2	Net cash used in Investing Activities (B)	(23,573.95)	(10,353.15)	(9,278.43)
3	Net cash from/(used) in financing activities (C)	19,838.87	(8,656.69)	1,221.27
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**3,623.27**	**3,206.33**	**733.97**

Operating Activities

Fiscal 2024

In Fiscal 2024, net cash flows from operating activities was ₹ 7,358.35 lakhs. Net profit before tax was ₹12,190.67 lakhs in Fiscal 2024. Primary adjustments consisted of depreciation and amortisation expense of ₹ 5,401.91 lakhs and finance costs of ₹ 4,999.30 lakhs. This was primarily partially offset by re-measurement losses on employee defined benefit plans of ₹ 561.14 lakhs and interest income of ₹ 267.56 lakhs.

Operating profit before working capital changes was ₹ 21,874.25 lakhs in Fiscal 2024. The main working capital adjustments included decrease in trade and other receivables of ₹ 9,247.52 lakhs, decrease in inventories of ₹ 3,088.55 lakhs and decrease in trade and other payables of ₹ 1,132.05 lakhs.

Cash generated from operations was ₹ 8.406.13 lakhs which was adjusted for direct tax paid of ₹ 1,047.78 lakhs.

Fiscal 2023

In Fiscal 2023, net cash flows from operating activities was ₹ 22,216.17 lakhs. Net profit before tax was ₹ 7,990.50 lakhs in Fiscal 2023. Primary adjustments consisted of depreciation and amortisation expense of ₹ 4,465.23 lakhs and finance costs of ₹ 4,465.43 lakhs. This was primarily partially offset by interest income of ₹ 177.86 lakhs.

Operating profit before working capital changes was ₹16,808.79 lakhs in Fiscal 2023. The main working capital adjustments in Fiscal 2023, included increase in trade and other financial and non financial assets of ₹ 3,491.32 lakhs, increase in inventories of ₹ 3,297.31 lakhs and increase in trade payables and other financial and non financial liabilities of ₹ 2,071.50 lakhs.

Cash generated from operations was ₹ 25,668.92 lakhs which was adjusted for direct tax paid of ₹ (3,452.75) lakhs.

Fiscal 2022

In Fiscal 2022, net cash flows from operating activities was ₹ 8,791.13 lakhs. Net profit before tax was ₹ 7,056.62 lakhs in Fiscal 2022. Primary adjustments consisted of depreciation and amortisation expense of ₹ 3,887.68 lakhs and finance costs of ₹ 3,960.50 lakhs. This was primarily partially offset by advance received for assets held for sale (our decommissioned Nandigama facility) of ₹ (385.00)lakhs.

Operating profit before working capital changes was ₹ 14,661.83 lakhs in Fiscal 2022. The main working capital adjustments in Fiscal 2022, included decrease in trade and other financial and non-financial assets of ₹ 7,750.26 lakhs, decrease in inventories of ₹ 11,506.62 lakhs and increase in trade Payables and other financial and non financial liabilities of ₹ 15,178.94 lakhs.

Cash generated from operations was ₹ 10,583.89 lakhs which was adjusted for direct tax paid of ₹ (1,792.76) lakhs

Investing Activities

Fiscal 2024

Net cash flows used in investing activities were ₹ 23,573.95 lakhs for the year ended March 31, 2024, primarily as a result of the purchase of property, plant and equipment's and intangibles of ₹ 17,455.26 lakhs, advances for property, plant & equipment and intangibles of ₹ 4,003.68 lakhs, ROU Assets as per IND AS 116 of ₹ 2,441.32 lakhs which were partially offset by interest income received of ₹ 228.60 lakhs, and proceeds from sale of property, plant and equipment of ₹ 97.71 lakhs.

Fiscal 2023

Net cash flows used in investing activities were ₹ 10,353.15 lakhs for the year ended March 31, 2023, primarily as a result of the purchase of property, plant and equipment's and intangibles of ₹ 9,570.85 lakhs, advances for property, plant & equipment and intangibles of ₹ 63.10 lakhs, ROU Assets as per IND AS 116 of ₹ 1,047.45 lakhs which were partially offset by interest income received of ₹ 156.77 lakhs, and proceeds from sale of property, plant and equipment of ₹ 171.48 lakhs.

Fiscal 2022

Net cash flows used in investing activities were ₹ 9,278.43 lakhs for the year ended March 31, 2022, primarily as a result of the Purchase of property, plant and equipment's and intangibles of ₹ 6,148.40 lakhs, advances to Property, Plant & equipment and intangibles of ₹ 1,542.26 lakhs, ROU Assets as per IND AS 116 of ₹ 1,707.17 lakhs which were partially offset by interest income received of ₹ 45.70 lakhs, and proceeds from sale of fixed assets of ₹ 73.70 lakhs.

Financing Activities

Fiscal 2024

Net cash flows used in financing activities were ₹ 19,838.87 lakhs for the year ended March 31, 2024, primarily as a result of the proceeds from borrowings - noncurrent (including current maturities) of ₹ 21,481.93 lakhs, cash payments for principal portion of lease liability of ₹ 1,425.25 lakhs, borrowings - current (net) of ₹ 5,991.56 lakhs which were offset by repayment of borrowings - noncurrent (including current maturities) of ₹ 2,795.69 lakhs, finance charges of ₹ 4,947.32 lakhs, term deposit accounts with financial institutions of ₹ 803.31 lakhs, payment of dividend of ₹ 383.13 lakhs.

Fiscal 2023

Net cash flows used in financing activities were ₹ 8,656.69 lakhs for the year ended March 31, 2023, primarily as a result of the repayment of borrowings - noncurrent (including current maturities) of ₹ 3,177.58 lakhs, finance charges of ₹ 4,465.78 lakhs, payment of dividend of ₹ 751.39 lakhs, borrowings - current (net) of ₹ 4,094.03 lakhs, cash payments for principal portion of lease liability, which were offset by proceeds from borrowings - noncurrent (including current maturities) of ₹ 3,819.65 lakhs, term deposit accounts with financial institutions of ₹ 195.76 lakhs.

Fiscal 2022

Net cash flows used in financing activities were ₹ 1,221.27 lakhs for the year ended March 31, 2022, primarily as a result of the proceeds from borrowings - noncurrent (including current maturities) of ₹ 9,097.55 lakhs, cash payments for principal portion of lease liability of ₹ 348.66 lakhs, term deposit accounts with financial institutions of ₹ 334.68 lakhs which were offset by repayment of borrowings - noncurrent (including current maturities) of ₹ 4,281.34 lakhs, finance charges of ₹ 3,532.14 lakhs, payment of dividend of ₹ 376.59 lakhs, borrowings - current (net) of ₹ 96.78 lakhs, and cash payments for interest portion of lease liability of ₹ 14.68 lakhs.

LIQUIDITY AND CAPITAL RESOURCES

Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by funding from bank borrowings and optimization of operating working capital. We have historically met our funding requirements, including capital expenditure, satisfaction of debt obligations, investments, taxes, working capital requirements and other cash outlays, primarily with funds generated from operations and optimization of operating working capital as well as external borrowings.

INDEBTEDNESS

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2024:

Category of borrowing	Amount (in ₹ lakhs)
Current Borrowings	
Working Capital Borrowings from banks	19,337.82
Current maturities of long term borrowings:	
-Term loans	6,975.27
-Vehicle loans	91.20
Inter corporate deposits	970.00
Total Current Borrowings (I)	**27,374.29**
Non-current borrowings	
Secured	
Term Loans from Banks	23,247.78
Term Loans from others	134.83
Vehicle Loans	
From Lenders	401.73
Total (A)	**23,784.34**
Unsecured Loans	
From related parties	2,510.00
Total (B)	**2,510.00**
Total Non-Current Borrowings(II=A+B)	**26,294.34**
Total Borrowings (III=I+II)	**53,668.63**

OFF-BALANCE SHEET ARRANGEMENTS

We have entered into various instruments and contracts such as , foreign currency forward contracts, letters of credit in relation to the import of raw materials and capital goods. Any fluctuations in the exchange rates may have a significant effect on our business, results of operations and financial condition.

RELATED PARTY TRANSACTIONS

We have in the past entered into related party transactions and may continue to do so in future. Such transactions are for, among others, remuneration, loans from directors, sale and purchases of goods. For further information on our related party transactions, see "*Related Party Transactions*" on page 35.

INTEREST COVERAGE RATIO

Our interest coverage ratio for the Fiscals 2024, 2023 and 2022 was 4.64, 3.97 and 3.82, respectively.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

In the course of ordinary business, we are exposed to market risk, liquidity risk and credit risk. Our Board and Audit Committee has overall responsibility for the oversight of our risk management framework. We manage the risk basis policies approved by the board of directors. Our Board provides principles for overall risk management.

i) Credit risk

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

ii) Liquidity Risk

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

iii) Market Risk

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

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Preliminary Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent" that may impact our business operation or future financial performance

SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS

Other than as described in "- *Significant factors affecting our results of operations and financial condition*" on page 96 to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "- *Significant factors affecting our results of operations and financial condition*" and the uncertainties described in the section "*Risk Factors*" on pages 96 and 36 respectively. To our knowledge, except as described or anticipated in this Preliminary Placement Document there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of*

Financial Condition and Results of Operations" on pages 36, 174 and 91, respectively, to our knowledge there are no known factors that may adversely affect our business, prospects, results of operations, financial condition and cash flows.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Preliminary Placement Document, we have not announced and do not expect to announce in the near future any new business segments.

SEGMENT REPORTING

Our Company operates in single reportable business segment i.e. Engineering Products of Iron and Steel.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*", "*Risk Factors*" and "- *Significant factors affecting our Results of Operations and Financial Conditions- Competition*" on pages 174, 123, 36 and 96, respectively, for further details on competitive conditions that we face across our various business verticals.

SEASONALITY/ CYCLICALITY OF BUSINESS

Except as disclosed in this Preliminary Placement Document, our business is not subject to seasonality or cyclicality. For further information, see "*Industry Overview*" on page 123.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed below, to our knowledge no circumstances have arisen since March 31, 2024, that could materially and adversely affect or are likely to affect, our operations, trading or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months:

1. Pursuant to the share purchase agreement dated March 11, 2024, entered into with Chaitra Sundaresh, Ronak Bagadia (hereinafter collectively referred to as "**Sellers**") and Bagadia Chaitra Industries Private Limited (BCIPL), our Company successfully acquired 100% of the equity share capital of BCIPL with effect from May 6, 2024.

2. Our Board and Shareholders have approved the Pitti Engineering Limited- Employee Stock Option Plan 2024 ("**Pitti ESOP 2024"/" Scheme**") pursuant to the resolutions passed on May 15, 2024 and June 13, 2024, respectively. The total number of options which can be granted under the Scheme to the eligible employees as determined by the Nomination and Remuneration Committee shall not exceed 13,00,000 options. The Scheme will be implemented and administered through trust route wherein a trust can either acquire the equity shares of the Company by way of secondary acquisition or the Company will issue shares to the Trust in accordance with the Scheme

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Preliminary Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.

There are no reservations, qualifications, or adverse remarks of the Statutory Auditor or previous statutory auditors, as applicable, in their report on audited consolidated financial statements for last five Fiscals preceding the date of this Preliminary Placement Document.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessing the Opportunity for Motors, Generators and Components" dated July 6, 2024 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited, appointed by us, and exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, exclusively in connection with the Issue. A copy of the F&S Report is available on the website of our Company at www.pitti.in. The data included herein includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Also see, "Industry and Market Data" on page 12. CRISIL is not related in any manner to our Company, its Subsidiaries, Directors, Key Managerial Personnel, members of Senior Management, our Promoters or the BRLM. For details regarding the disclaimers issued by CRISIL in respect of the CRISIL Report, see "Industry and Market Data" on page 12. Further, see "Risk Factors - Industry information included in this Preliminary Placement Document has been derived from an industry report prepared by F&S and exclusively commissioned and paid for by us for such purpose" on page 62.*

1.1. Overview of Global Economy

Following a significant uptick in global economic growth momentum in CY2021, the world economy slowed to 3.5% in CY2022, as the Russia-Ukrainian war severely hampered critical food and energy supply chains, pushing up prices to unprecedented levels across countries. These elevated and volatile commodity and energy prices led to a cost-of-living crisis around the globe, exacerbating food insecurity and further aggravating domestic inflation levels.

In CY2023, the global economy grew by a modest 3.1%, as high interest and inflation rates continued to weigh on economic activity. Moreover, growth remains uneven with Europe facing a marked slowdown due to dampened consumer demand and falling real wages. Economic growth in the Eurozone slowed from 2.4% in CY2022 to 0.5% in CY2023 in GDP. Major factors contributing to the slowdown were slow growth in consumer expenditure due to high inflation, economic uncertainty, and high interest rates. USA, on the other hand, defied expectations of a recession, as a resilient labor market, and high household spending and grew by 2.5% in CY2023.

The global economy is expected to grow at the same pace in CY2024 and slightly accelerate to 3.2% in CY2025 and CY2026 before moderating to 3.1% in CY2027 and CY2028. However, this outlook faces headwinds in the form of higher interest rates implemented by central banks to combat inflation and reduced government spending due to accumulated debt.

1.1.1. Review and Outlook of Global GDP and GDP Growth

Exhibit 1.1: Real GDP Growth by Select Regions & Countries – Historic and Forecast, Global, CY2018 – CY2028E

Exhibit 1.1: Real GDP Growth by Select Regions & Countries – Historic and Forecast, Global, CY2018 – CY2028E											
Country/ Region	**CY2018**	**CY2019**	**CY2020**	**CY2021**	**CY2022**	**CY2023**	**CY2024E**	**CY2025E**	**CY2026E**	**CY2027E**	**CY2028E**
World	3.6%	2.8%	-2.8%	6.3%	3.5%	3.1%	3.1%	3.2%	3.2%	3.1%	3.1%
United States	2.9%	2.3%	-2.8%	5.9%	2.1%	2.5%	2.1%	1.9%	2.0%	2.1%	2.1%
China	6.8%	6.0%	2.2%	8.4%	3.0%	5.2%	4.6%	4.1%	3.8%	3.6%	3.4%
India	6.5%	3.9%	-5.8%	9.1%	7.2%	7.8%	6.8%	6.5%	6.5%	6.5%	6.5%
North America	2.8%	2.0%	-3.5%	5.8%	2.3%	2.3%	1.9%	1.7%	2.0%	2.1%	2.1%
Europe	2.3%	2.0%	-5.5%	6.0%	2.4%	0.5%	0.9%	1.7%	1.9%	1.7%	1.6%
Asia Pacific	5.3%	4.1%	-0.8%	6.9%	4.1%	4.4%	4.1%	4.2%	4.2%	4.0%	3.9%
Middle East and Central Asia	2.8%	1.6%	-2.6%	4.3%	5.6%	2.0%	2.9%	4.2%	3.6%	3.8%	3.7%
Africa	3.4%	3.0%	-1.7%	4.8%	3.9%	3.3%	3.8%	4.1%	4.2%	4.3%	4.4%
Latin America	1.1%	0.2%	-7.0%	7.3%	4.1%	2.5%	1.9%	2.5%	2.5%	2.6%	2.5%

Source: IMF, Economic Outlook, Frost & Sullivan Analysis

In CY2023, India's real GDP growth clocked a robust 7.8% growth, following an impressive 7.2% expansion in CY2022. On the other hand, the world's major economies such as the USA, Europe, and China experienced a mixed scenario. The US economy displayed resilience in CY2023 with a 2.5% growth, driven by consumer spending and government investments. However, growth in Europe remained sluggish at 0.5%, with Germany, a major player, grappling with near-recessionary conditions. China's economy experienced a 5.2% expansion in CY2023, driven primarily by the abandoning of the 'zero-Covid' policy at the end of CY2022 and the subsequent recovery of the industry and services sector from the second quarter of CY2023.

Emerging markets and Developing economies

Emerging markets and Developing countries are expected to witness divergent growth in 2024. China's economic recovery is expected to continue facing setbacks as falling domestic demand, deflationary concerns, a property market crisis, and soft external demand are likely to cause significant setbacks. The Association of Southeast Asian Nations (ASEAN) and India are expected to be growth bright spots, as robust domestic economic fundamentals, strong labor market conditions, and fiscal stability will contribute towards economic growth. Middle Eastern economies such as Saudi Arabia, the United Arab Emirates, and Qatar benefit from an expanding non-oil economy. However, regional upheavals are a cause of concern during the year. Latin American and African economies, in 2024, are likely to face structural obstacles such as elevated debt levels, lack of investment inflows, climate risks, food insecurity, and poor employment opportunities.

North America

Real GDP growth is expected to decelerate slightly in 2024, as spillover effects of interest rate hikes and cooling consumer and government spending will cause some headwinds. Government spending was a positive contributor to growth of USA economy in 2023, mainly due to federal non-defense spending associated with the infrastructure investment legislation passed in 2021 and 2022. However, this growth is likely to slow in 2024 and 2025 as infrastructural spending mutes. Easing inflation, coupled with a reversal in interest rate hikes, will support economic activity over the medium term. The labour market will continue to show resilience over the coming quarters; however, job cuts – particularly in the tech sector – are likely to cause some setbacks.

Europe

Following subdued economic growth in 2023, the growth trajectory is likely to continue being weak in H1 2024. Economic activity is expected to pick up at a slow pace in the second half of the year, as inflation abates, real wages witness an increase, and domestic demand rebounds. However, geopolitical tensions such as the Red Sea trade disruptions (in Q1 of CY2024) are likely to reignite concerns of supply bottlenecks that could dampen manufacturing activity and push up prices over the short term. Meanwhile, the UK – which slipped into a recession in 2023 – is likely to grow modestly starting H2 2024. Falling inflation and lower interest rates could create momentum during this period. France is expected to witness a similar growth trend, with private consumption likely to gain some footing starting Q3 2024, as inflation eases, and interest rates normalize. Germany's economy is expected to continue facing pressures in 2024, as an unstable global economic environment could weigh on the export-dependent country. A property market crisis, a lack of skilled workers, and a budget crisis, which had led to a shortage of funds for the German government, are some of the factors that are likely to restrict Germany's economic growth.

Asia Pacific

Emerging economies such as India, Indonesia, Vietnam, and the Philippines are expected to drive Asia Pacific region's economic growth momentum over the next few years. Strong foreign direct investment inflows, huge consumption markets, fiscal soundness, availability of skilled workers at competitive wages, and robust manufacturing value chains are factors likely to drive growth within these countries. Chinese economic growth, over short term, is likely to reel from a property market slowdown and high public debt levels.

1.1.2. Inflationary pressure eased in CY2023 – acted as a catalyst for global growth.

After reaching a peak of 8.7% in CY2022, global inflation gradually eased to 6.9% in CY2023 and is projected to decline to 5.8% in CY2024. This anticipated decline is attributed to tighter monetary policies implemented by central banks, coupled with a decrease in international commodity prices.

Exhibit 1.2: Inflation Rate – Historic and Forecast, Global, CY2018 – CY2028E

Country/ Region	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024E	CY2025E	CY2026E	CY2027E	CY2028E
World	3.6%	3.5%	3.2%	4.7%	8.7%	6.9%	5.8%	4.6%	4.2%	3.9%	3.8%
United States	2.4%	1.8%	1.3%	4.7%	8.0%	4.1%	2.8%	2.5%	2.2%	2.1%	2.1%
China	1.9%	2.9%	2.5%	0.9%	1.9%	0.7%	1.7%	2.2%	2.2%	2.2%	2.2%
India	3.4%	4.8%	6.2%	5.5%	6.7%	5.5%	4.6%	4.1%	4.1%	4.0%	4.0%
North America	2.7%	2.0%	1.4%	4.7%	7.9%	4.2%	2.8%	2.5%	2.2%	2.1%	2.2%
Europe	2.2%	2.0%	1.1%	3.5%	9.9%	6.5%	4.1%	2.7%	2.5%	2.4%	2.3%
Asia Pacific	3.0%	3.4%	3.2%	3.0%	6.6%	5.2%	5.4%	4.8%	4.5%	4.2%	4.1%
Middle East	8.4%	6.4%	9.8%	12.2%	14.0%	13.9%	10.0%	7.9%	7.4%	7.1%	7.0%
Africa	11.3%	9.0%	10.6%	12.8%	14.3%	18.5%	17.3%	11.8%	9.5%	8.7%	7.9%

Source: IMF, Economic Outlook, Frost & Sullivan Analysis

The global economy has shown tremendous resilience in CY2023 despite the fastest monetary policy tightening cycle in four decades, severe banking sector stress, wars in Ukraine and Israel, etc. With disinflation and steady growth, the likelihood of an economic downturn has receded globally. Easing supply constraints, reduced labor shortages, cooling energy prices, and moderating demand growth have led to a notable easing of inflation pressures globally.

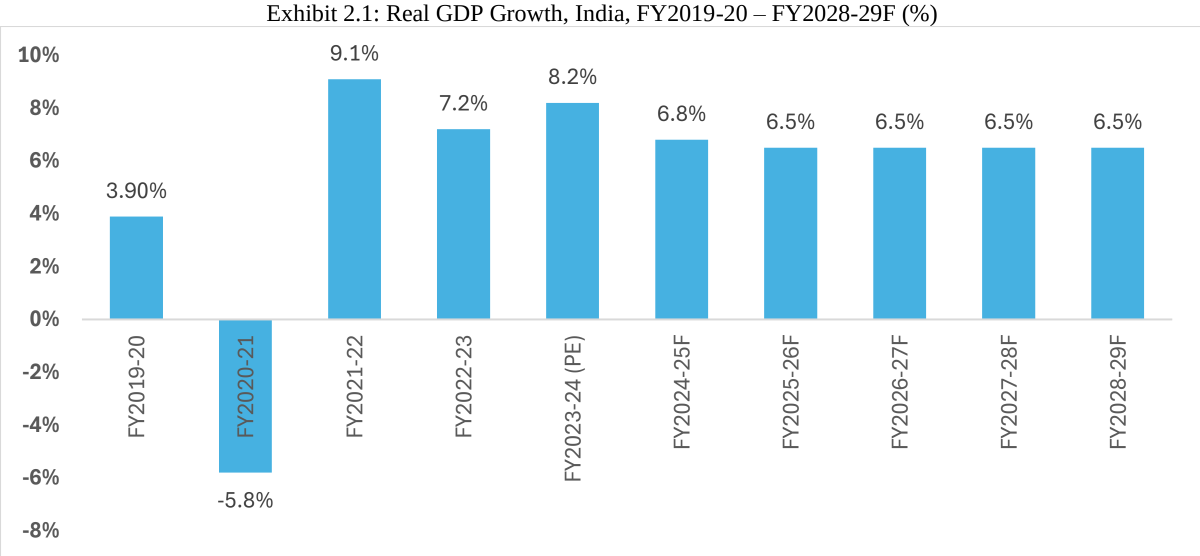
2.1. Overview of Indian Economy

India has emerged as the world's fastest-growing large economy for the past three years. In CY2019, the Indian government set a target of becoming a US$5 Tn economy by FY2025. As a result of the COVID-19 pandemic, the government revised the original timeline by 18–24 months. India's economy is likely to surpass US$4 Tn in FY2025 and further increase to US$5 Tn by FY2028 or FY2029 to become the third largest economy by surpassing Germany and Japan. In India, Inflation has softened from 6.7% in CY2022 to 5.5% in CY2023. With rising consumer confidence, and improved business sentiments, inflation in India is expected to remain stable over the next five years at around 4.0%.

2.1.1. Review and Outlook of India's GDP and GDP Growth

Following the Covid-19-induced 5.8% GDP contraction in FY2020, the Indian economy posted a robust economic rebound of 9.1% in FY2021. The Indian government as part of its proactive fiscal and monetary policies introduced several stimulus measures such as loan moratoriums, credit guarantees, and direct cash transfers to support businesses and households during the year. These measures helped sustain domestic consumption and mitigate the economic impact of the pandemic in FY2021. Recovery within manufacturing and the services industry – particularly within segments such as Information Technology, healthcare, and e-commerce – provided further impetus.

Exhibit 2.1: Real GDP Growth, India, FY2019-20 – FY2028-29F (%)



Note: E-Estimates, PE – Provisional Estimates and F-Forecasts. Source: India National Statistical Office, IMF

GDP growth fell to 7.2% in FY2022, mainly due to the Russia-Ukraine war and the resultant supply disruptions which led to a sharp increase in food and fuel prices. To curtail these high price pressures, the Reserve Bank of India (RBI) adopted a restrictive monetary policy – with the repo rate hiked to 6.25% by the end of 2022. This dampened consumer spending and business confidence during the year. GDP growth is estimated to have fallen to 7.2% in FY2023, as elevated borrowing costs, challenging external conditions, and slower income growth weighed on momentum, particularly in H1 FY2023. GDP growth picked up pace in H2 FY2023, supported by modest easing of global commodity prices and recovery in consumer demand and business activity. Growth was also underpinned by the Indian government's Capex push, which bolstered industrial activity across sectors such as infrastructure, construction, renewables, transport, and mobility.

India is projected to grow by 6.8% in FY2025, a bright spot in an otherwise subdued global economic environment. The focus on infrastructural development, expanding manufacturing and services sectors, resilient credit growth, robust private consumption, and a growing export potential will propel economic momentum during the year. This economic momentum is projected to continue, with India expected to remain the fastest-growing large economy over the next five years with India's growth expected to be supported by stable domestic demand and private investments.

GDP growth is expected to thereafter normalize to 6.5% by FY2027-28. The government's sustainability-driven growth agenda, greater manufacturing sector boost, ongoing structural reforms, and large middle-income and young population size are the notable medium-term growth drivers. Consistent public expenditure on building and upgrading infrastructure and connectivity, boosting the scalability and uptake of the digital economy, strengthening domestic green energy generation capabilities, and undertaking economic policies that foster inclusive social development will be at the forefront of India's long-term economic vision.

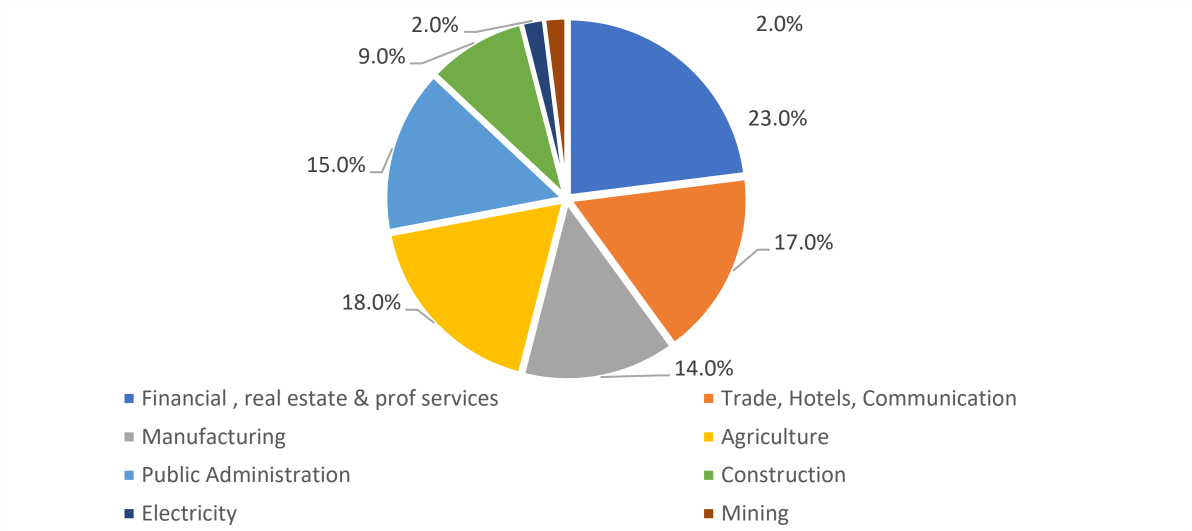
During the FY2023-2029 period, the Indian economy is expected to grow at an average rate of 6.4%, supported by a demographic dividend, increasing urban household income levels, technological advancements, and climate change mitigation policies. With the country's robust growth outlook, India is poised to overtake Germany and Japan to become the 3rd largest economy globally before 2030.

2.1.2. Gross Value Added (GVA)

India's GVA is predicted to grow by 6.2% in the fiscal year FY2024–25, a significant decrease from the 7.2% growth in FY2023–24, according to the Centre for Monitoring Indian Economy (CMIE). This can be attributed to the notable deceleration in the growth of the industrial sector.

India's manufacturing sector accounted for 17.0% -18.0% of the total Gross value added (GVA) over the past decade. It contributed 17.2% of the nation's Gross Value Added (GVA) in FY2014 and 18.4% in FY2018 due to the "Make in India" Initiative. Manufacturing sector contributed to ~14.0% of GVA in FY2023-24. The Production Linked Incentive (PLI) scheme, which was implemented in 2020 to stimulate manufacturing, has helped to preserve this strong market position.

Exhibit 2.2: Sectoral Share of GVA (%), India, FY2023-24



Source: MOSPI – Second Advanced estimates of National Income 2023-2024, at 2011-12 prices

2.1.3. Investment Trend in Infrastructure

According to World Bank data, India ranks second among developing countries in terms of several Public Private Partnerships and associated investments. The Public Private Partnership (PPP) has been an important source of investment in the infrastructure sector. Around 79 PPP projects were approved from 2015 to 2023 estimated to INR 2,272.7 Bn

The construction sector is the sixth largest FDI recipient in India in 2022. Inflows in construction infrastructure activities during the period between April 2000 and December 2023 was to the tune of US$ 33 Bn.

The Government of India has taken various initiatives to fulfill the rising demand for infrastructure needs. Schemes such as the Smart City mission is aimed at improving the quality of life through technology-driven urban development.

Highlights of government funding and initiatives:

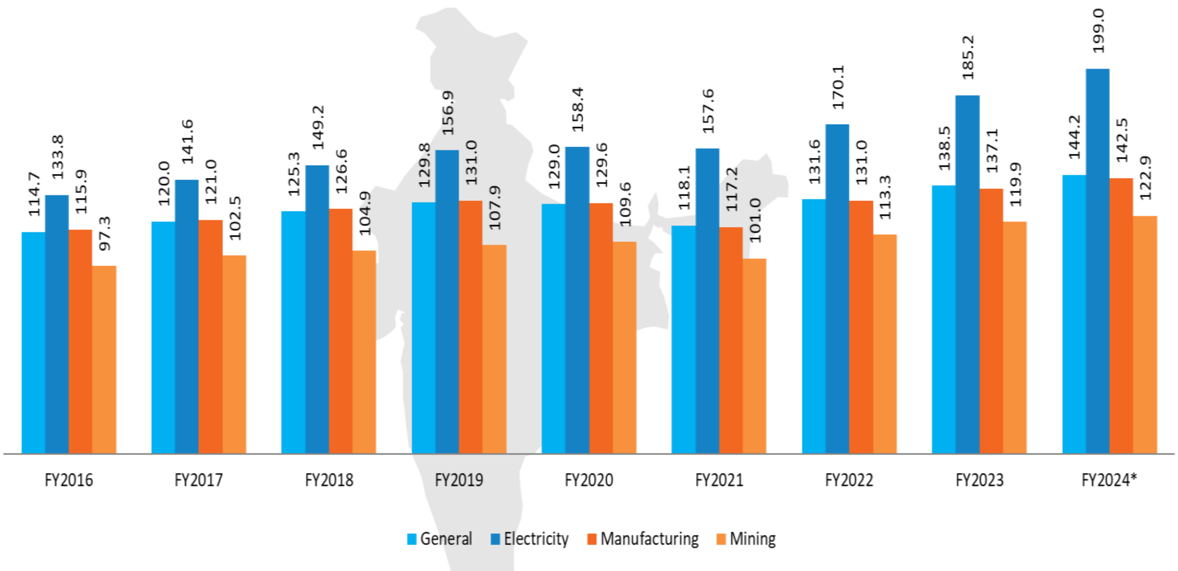
- Government of India in 2023, increased the capital investment outlay by 33% to INR 10 Tn
- Urban Infrastructure Development fund created to develop urban infrastructure in Tier 2 and Tier 3 cities, with a total capital outlay of INR 100 Bn.
- 35 multimodal logistics parks (MMLPS) to be developed for US$6.1 Bn
- Investment budget of US$1.4 Tn for Infrastructure under the National Infrastructure Pipeline (NIP). NIP currently has 8,964 projects with a total investment of around INR 108 Tn
- National Monetization Pipeline (NMP) is formed to work on the principle of asset creation through monetization. Around INR 6 Tn have been the estimated monetization potential over the year 2020-25.

Major investment trends in Infrastructure are seen in Energy and Digital Infrastructure. Positive response from investors investing in Infrastructure has opened a lot of avenues. Infrastructure debt is becoming more attractive to investors due to good returns and its resilience towards global markets and economic headwinds.

2.1.4. Industrial Growth

Post-pandemic, industrial activity in the country started picking up from June 2021 and continued its momentum through FY2022 – FY2024 with industrial output recording a sharp growth across all the constituent sectors (General, electricity, manufacturing, and mining) in the last three consecutive years. IIP data that is updated till December 2023, indicates 3.9% growth for the manufacturing sector.

Exhibit 2.3: India - Index of Industrial Production (IIP) by sectors, FY2016 - FY2024*



*IIP data updated up to December 2023

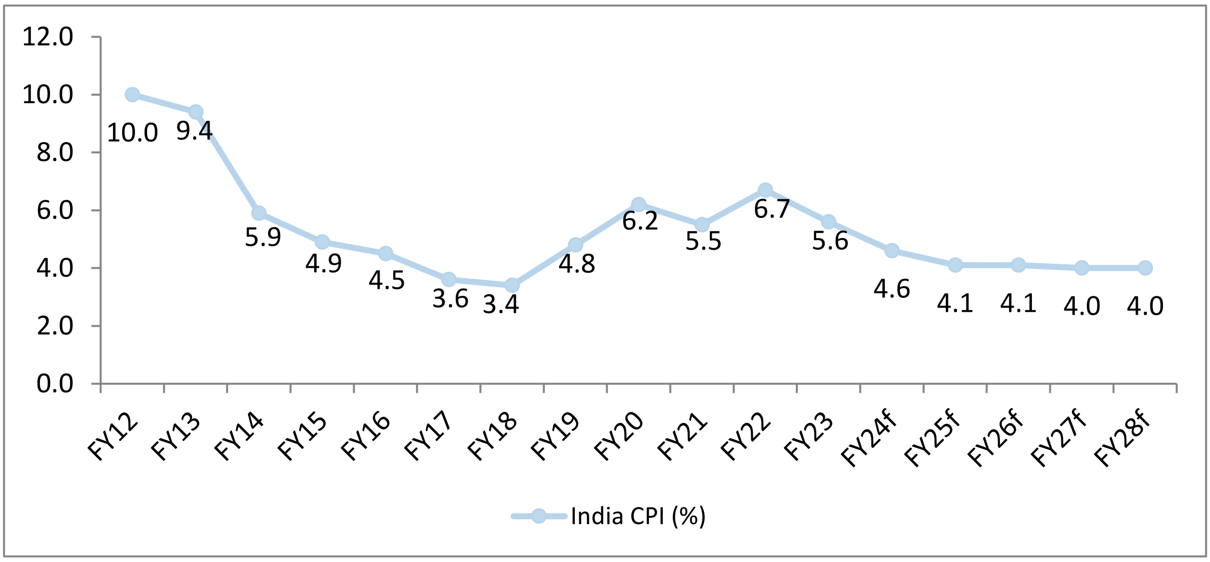
Source: MoSPI (Annual Estimates of GDP at constant price, 2011-12 series); RBI (Reserve Bank of India); Frost & Sullivan Analysis

The ongoing conflict between Russia and Ukraine has created uncertainty around the world, which has affected India's outbound shipments in 2023–2024, which decreased by 3.1 % to US$437 Bn billion. Additionally, imports fell by more than 8.0% to US$677.2 Bn.

2.1.5. Consumer Price Index

High food and fuel prices, on account of the Russia-Ukraine war, led to an elevated inflation rate of 6.7% in FY2022. While a restrictive monetary policy and minimizing supply chain disruptions contributed towards a moderate decrease in the consumer price index – with inflation estimated to have fallen to 5.5% in FY2023 – it remains significantly above the Reserve Bank of India's 4.0% target. Consequently, in the February 2024 meeting, the Reserve Bank of India kept its key repo rate unchanged at 6.5%. Monetary policy is expected to continue remaining "actively disinflationary" over the short term to anchor inflation within the central bank's target. Also, measures such as export restrictions on wheat, sugar, and rice, implementation of strict actions against hoarding, and the extension of low import duties on edible oils for an additional year will provide further support for price reductions.

Exhibit 2.4: Inflation (average consumer prices) (%) FY2012 – FY2028f



Note: e: Estimate, f: Forecast; *Source: IMF Estimate-June 2020, IMF World Economic Outlook December 2023*

Inflation is likely to continue its downward trajectory between FY2024- FY2028, averaging around 4.1% during this period, amid stabilizing food prices and easing core inflation. However, unpredictable retail prices, and uncertain crude oil market conditions exacerbated by recent geopolitical concerns such as the ongoing Red Sea crisis, supply chain disruptions, and fears of imported price pressures will likely cause some volatility to India's inflation trend over the forecast period.

2.1.6. Conclusion

In the past decade, the Indian government had extensively focused on boosting domestic manufacturing capabilities. Initiatives like Make in India, Atmanirbhar Bharat, and Production Linked Incentive (PLI) schemes are playing an active role in establishing India as a manufacturing powerhouse, especially with the rising focus on China+1 strategies post-pandemic.

Continued policy support has started garnering positive results. For instance, since inception until November 2023, the PLI schemes brought in INR 1 Tn worth of investments, which further drove output of INR 8.1 Tn, and generated ~0.7 Mn direct and indirect jobs.

The government has also set a vision for the chemicals and petrochemicals sector. By 2034, the aim is to bolster domestic production capabilities, reduce import dependence, and attract foreign investments. The government plans to introduce production-linked incentives with 10-20% output incentives for the agrochemical sector and foster end-to-end manufacturing ecosystems through cluster development.

To conclude, with real GDP growth momentum forecast to remain above ~6.0% in the long-term, India is expected to continue being a global growth frontrunner and enter the league of the top 3 largest economies by 2030. Moreover, the 2019-2027 manufacturing value add is forecast to grow at a CAGR of 10.8% compared to China's 6.9%, as the Chinese economy loses steam, and global firms prioritize diversification of sourcing and production lines to reduce overdependency on China. Hence, India's PLI scheme, solid GDP growth, as well as demographic dividend advantages will help attract more manufacturing investments.

3.1 Motors Market Industry Overview

Motors are fundamental devices designed to convert electrical energy into mechanical energy. This conversion is crucial for powering a vast array of machines and applications across various industries. Motors are integral components in industrial machinery, automotive applications, home appliances, and energy systems, reflecting their ubiquitous presence and essential function.

The primary types of motors include AC (Alternating Current) motors, DC (Direct Current) motors, brushless motors, and stepper motors. Each type has distinct characteristics and is chosen based on factors such as required power, control, efficiency, and cost. The global demand for motors is driven by their critical role in energy conversion, making them indispensable in both industrial and consumer applications.

Motors are used across diverse sectors such as manufacturing, automotive, aerospace, and consumer electronics. The widespread use of motors is underscored by their versatility and adaptability in various settings, from large industrial equipment to everyday consumer products. The critical role of motors in energy conversion highlights their integral presence in both contemporary and emerging technologies. Motors not only facilitate a myriad of mechanical operations but also contribute significantly to energy efficiency advancements and technological innovations. Their development and deployment are pivotal in driving modernization across industries, reflecting their foundational role in global industrial infrastructure.

3.1.1 Motors Market Segmentation by end-use applications

The motors market is segmented based on the end-use application, including:

Industrial: Motors are extensively used across various industrial sectors for applications such as powering heavy machinery, material handling equipment, and production lines. They are critical for operations in the oil & gas industry, manufacturing plants, mining, and other industrial settings where high torque and durability are essential.

Consumer Appliances: In the consumer appliance sector, motors are integral to the functioning of a wide range of household devices including washing machines, refrigerators, air conditioners, and vacuum cleaners. These motors are designed for efficiency, reliability, and quiet operation to enhance user convenience and energy conservation.

Pumps – Agricultural, Industrial, and Infrastructure: Motors play a vital role in driving pumps that are used in agricultural irrigation systems, industrial processes, and infrastructure projects. These motors are required to deliver consistent performance under varying load conditions and are often designed to handle harsh environments and continuous operation.

Automotive: The automotive industry relies on motors for a variety of applications, from starters and window lifters to power steering and brake systems. Motors in automotive applications need to be highly efficient, compact, and capable of operating in a range of environmental conditions.

Electric Vehicles (EVs): Motors are the heart of electric vehicles, responsible for converting electrical energy from the battery into mechanical energy to drive the wheels. These motors are optimized for high efficiency, high power density, and are key to achieving long range and superior performance in EVs.

Railways and Metro: Motors used in railways and metro systems are designed for propulsion and control systems. They need to be highly reliable, capable of handling high power requirements, and suited for the safety standards of passenger transportation.

Others: Motors find applications in various other fields such as agriculture, cement, aerospace, textiles, marine, pulp and paper and others. These applications often require specialized motors that can meet specific technical requirements such as precise control, extreme environmental conditions, and space constraints.

3.1.2 Motors Market Key Growth Drivers - Global

Increased Focus on Energy Efficiency: The global motors market is significantly driven by the increasing emphasis on energy efficiency. Governments and regulatory bodies worldwide are implementing stringent energy consumption standards and regulations to reduce environmental impact. This trend is pushing manufacturers to innovate and produce high-efficiency motors that can operate at lower energy costs without sacrificing performance.

Rapid Industrialization and Urbanization: As emerging economies continue to industrialize and urbanize, the demand for motors in infrastructure development, manufacturing, and consumer products is growing. This is especially evident in regions like Asia-Pacific, which is witnessing substantial economic growth and development activities.

Technological Advancements in Motor Design: Technological innovations such as the development of ultra-efficient motor drives and the integration of IoT (Internet of Things) capabilities into motor systems are pivotal growth drivers. These advancements enable precise control and monitoring of motor operations, leading to better performance, reduced downtime, and maintenance costs.

Growth in Renewable Energy Installations: The expansion of renewable energy sources, such as wind and solar, necessitates the use of high-performance motors for energy generation and distribution systems. The shift towards greener sources of energy is fostering the development of new motor technologies that are compatible with renewable energy applications.

Automotive Electrification: The surge in electric vehicle production is a critical driver for the motors market. Motors are essential for electric vehicles, from propulsion to controlling various functions. As the automotive industry moves towards electrification, the demand for highly efficient and reliable motors is expected to increase dramatically.

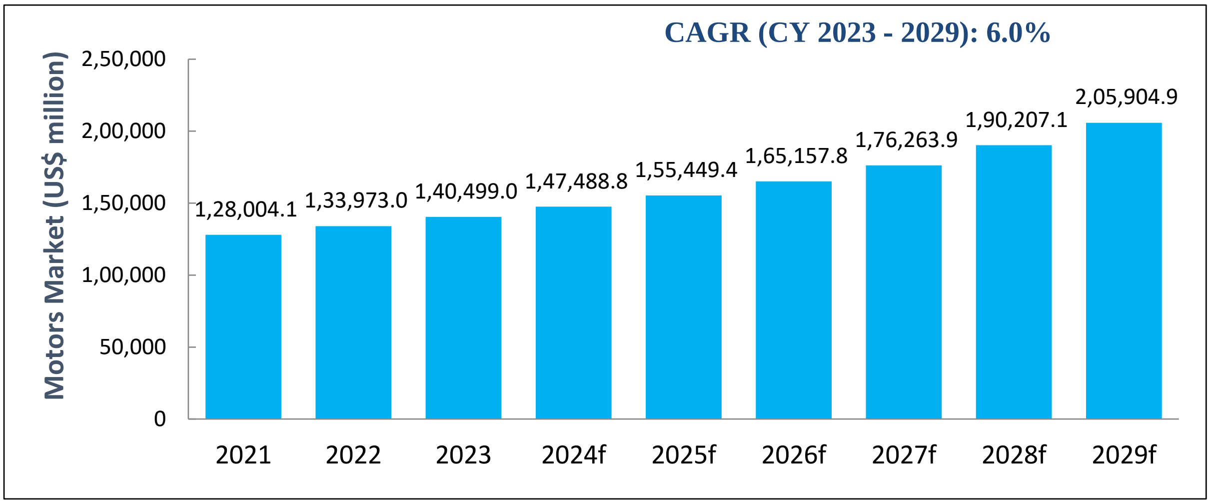
3.2 Motors Market Analysis

3.2.1 Motors Market Analysis – Global

The global motors market is witnessing strong growth, fueled by significant technological advancements, increased industrial automation, and a rising emphasis on energy efficiency. As the motors market continues to evolve, several emerging trends are poised to shape its trajectory over the coming years. The incorporation of AI and ML technologies in motor systems is setting the stage for smart, self-diagnosing motors that can predict failures and optimize performance in real time. This evolution is particularly significant in sectors that demand high reliability and operational efficiency, such as aerospace and industrial automation.

The development of new materials such as advanced composites and superconducting materials is expected to revolutionize motor efficiency and performance. These materials can significantly reduce the weight and energy consumption of motors while enhancing their power output and longevity.

Exhibit 3.1 Motors Market, Global (US$ Mn), 2021-2029F



Source: Frost & Sullivan analysis

In 2023, the market was valued at US$140,499.0 million, and it is projected to experience a compound annual growth rate (CAGR) of 6.0% over the forecast period, reaching US$205,904.9 by 2029. The Asia-Pacific region is emerging as the most promising market for motors, driven by rapid industrialization and urbanization. Countries like China and India are leading this growth, with substantial investments in infrastructure development and manufacturing. The region's commitment to energy efficiency and the increasing adoption of electric vehicles further contribute to the high demand for motors.

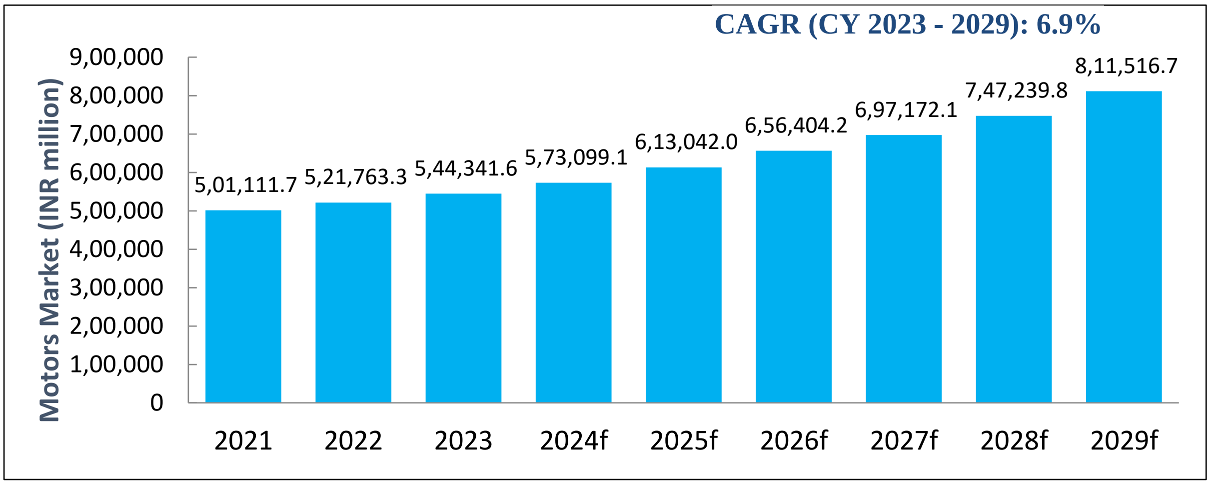
Additionally, North America and Europe continue to show robust growth, supported by advancements in automotive technologies and the renewable energy sector. These regions are also seeing a surge in the adoption of smart motors, which are equipped with sensors and connectivity technologies that enable predictive maintenance and enhanced operational efficiency.

3.2.2 Motors Market Analysis – India

The motors market in India is set for rapid expansion, bolstered by strategic governmental policies, a shift towards sustainable energy sources, and infrastructural developments across urban and rural areas. As the country continues to emphasize innovation and efficiency in technology adoption, the demand for advanced and reliable motors is expected to soar, playing a crucial role in India's industrial and economic growth.

In 2023, the Indian market for motors was valued at INR 544,341,6 million, and it is projected to experience a compound annual growth rate (CAGR) of approximately 6.9% over the forecast period, reaching INR 811,516.7 million by 2029.

Exhibit 3.2 Motors Market, India (INR Mn), 2021-2029F



Source: Frost & Sullivan analysis

Initiatives like "Make in India" and "Atmanirbhar Bharat" are promoting domestic manufacturing, which includes extensive support for the electronics and automotive sectors. These initiatives encourage the production and adoption of advanced motors and related technologies.

As electrification efforts continue to expand across rural India, there is a rising demand for electric motors to power agricultural equipment, water pumps, and small-scale industrial machinery. This trend is supported by government subsidies and programs aimed at enhancing agricultural productivity and rural industrialization.

India's commitment to increasing its renewable energy capacity, particularly in solar and wind sectors, is driving the demand for specialized motors used in energy generation and storage solutions. This aligns with national goals to achieve significant reductions in carbon emissions.

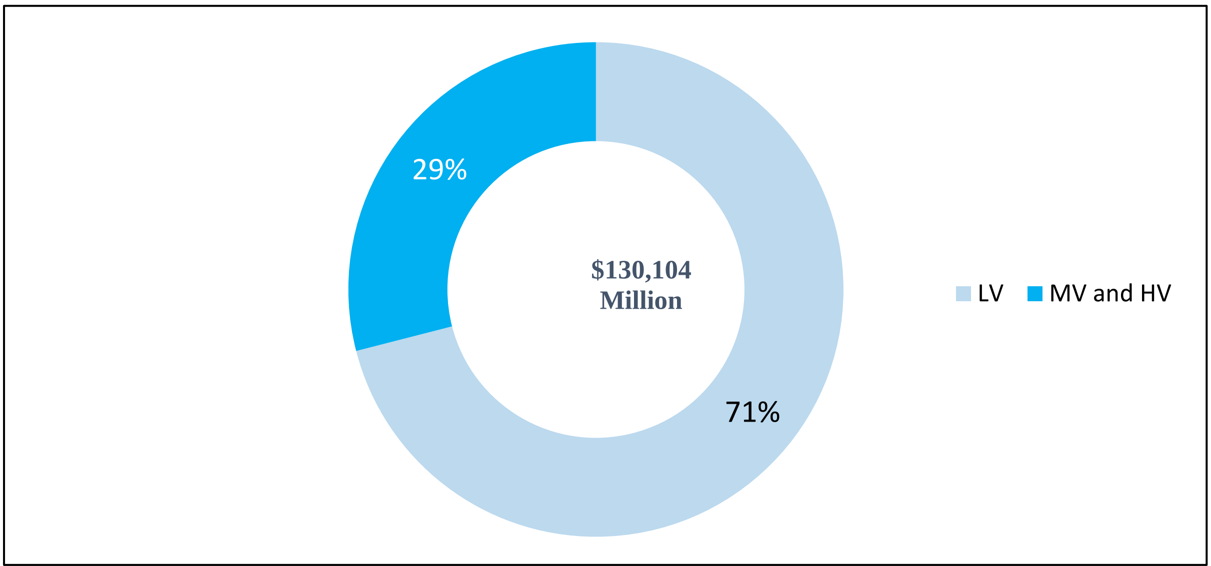
With rapid urbanization, there is a growing demand for motors in public infrastructure projects, such as metro rail systems, water treatment plants, and smart city developments. The government's push for smart cities is catalysing the adoption of high-efficiency motor systems.

3.3 Motors Market Segmentation by Voltage levels

- **LV (Low Voltage) Motors:** These motors operate at voltages up to 1000 volts. They are widely used due to their versatility, safety, and cost-effectiveness. LV motors are predominant in commercial and light industrial applications where high-power output is not a primary requirement, but efficiency and durability are valued.
- **MV (Medium Voltage) Motors:** Operating between 1001 to 10,000 volts, MV motors are suited for applications requiring greater power output that cannot be efficiently achieved by LV motors. They are typically used in industries where machinery requires more energy, such as in pumps, fans, and processing equipment.
- **HV (High Voltage) Motors**: These motors operate above 10,000 volts and are used in highly demanding industrial contexts where immense power is necessary, such as in large pumps, compressors, and blowers in heavy industries. HV motors are known for their high-power capacity and efficiency in large-scale industrial operations.

3.3.1 Motors Market Segmentation by voltage level – Global

Exhibit 3.3 Motors Market, Global, Revenue Breakdown by Product Type, 2023



Source: Frost & Sullivan analysis

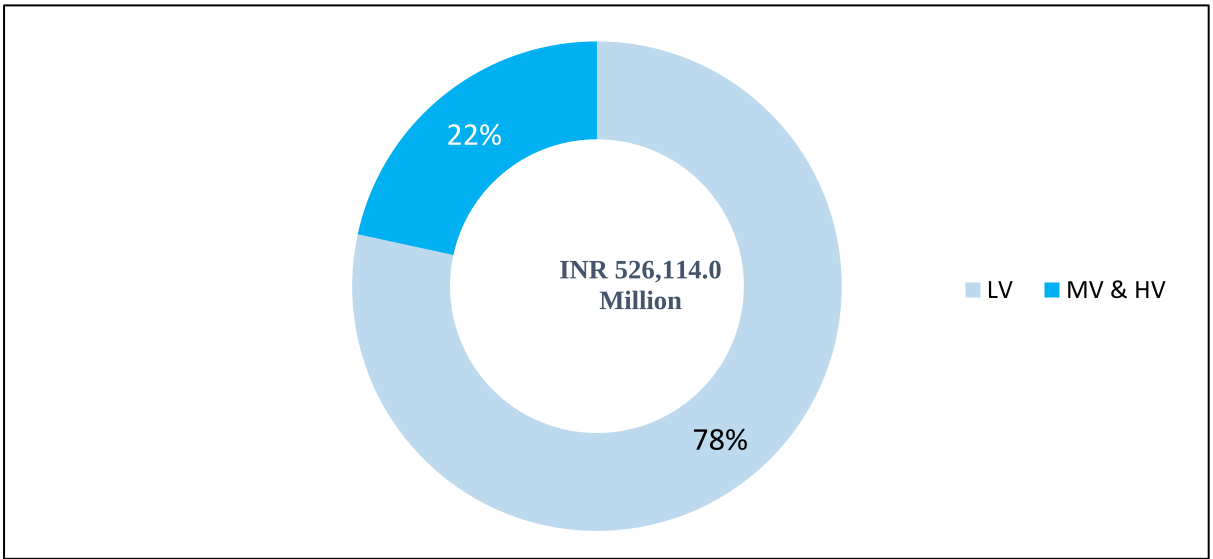
Low Voltage (LV) motors are integral to a myriad of sectors, marking their dominance by occupying 71% of the global motors market share with a revenue of US $92,373.8 million. In the industrial sector, these motors drive the functionality of machines, small pumps, and conveyors—applications that demand reliability and consistent performance at lower operational voltages. In commercial and residential buildings, LV motors are primarily utilized in HVAC systems, elevators, and other building services, where safety and energy efficiency are paramount. The automotive industry relies on LV motors for various manufacturing processes, particularly in assembly lines where precision and control are crucial. Additionally, LV motors are ubiquitous in consumer appliances, powering devices such as washing machines, dryers, and refrigerators, which require dependable and efficient operation at lower power ratings, making LV motors a cornerstone in both industrial and everyday applications.

Medium Voltage (MV) and High Voltage (HV) motors, although smaller in market share, are essential in sectors requiring high power outputs and robust motor solutions. MV motors, which account for 18.3% of the market with revenues amounting to US $23,809.0 million, are predominantly used in demanding industrial environments such as oil and gas, where they power offshore drilling rigs and refinery processes. They are also vital in water and wastewater treatment facilities and in mining operations, driving large pumps, blowers, and heavy-duty machinery necessary for extracting and processing minerals. HV motors, making up 10.7% of the market, are crucial in power generation and heavy manufacturing. They operate within power plants—including coal, hydroelectric, and nuclear facilities—and drive large-scale infrastructure projects, such as steel mills and large water pumps for flood control and irrigation. Together, MV and HV motors are pivotal in applications where durability, high torque, and capacity to handle large-scale operations are indispensable.

3.3.2 Motors Market Segmentation by voltage level - India

In India, Low Voltage (LV) motors dominate the market, particularly due to their extensive use in manufacturing, agriculture, and rapidly growing infrastructure sectors. Their versatility and energy efficiency make them ideal for a wide range of applications across these critical economic areas. Meanwhile, Medium Voltage (MV) and High Voltage (HV) motors, although smaller in market share, hold significant potential for growth, especially in industries requiring high power outputs like renewable energy, heavy manufacturing, and public utilities. As India continues to industrialize and invest in large-scale infrastructure and energy projects, the demand for MV and HV motors is expected to rise, reflecting their increasing importance in the country's industrial advancement.

Exhibit 3.4 Motors Market, India, Revenue Breakdown by Product Type, 2023



Source: Frost & Sullivan analysis

Low Voltage (LV) motors are a cornerstone of various foundational sectors in India, playing a critical role in industries where precision, energy efficiency, and reliability are paramount. In manufacturing, these motors are essential for operating machinery in textiles and consumer electronics, supporting India's massive production capabilities in these fields. The agricultural sector relies heavily on LV motors for powering essential equipment such as irrigation systems and automated harvesting machines, crucial for enhancing farm productivity. Furthermore, as India continues to expand its infrastructure with numerous development projects, LV motors are increasingly used in construction equipment, contributing significantly to the nation's ongoing urbanization and industrialization efforts. These motors not only facilitate day-to-day operations but also drive the technological evolution within these vital sectors.

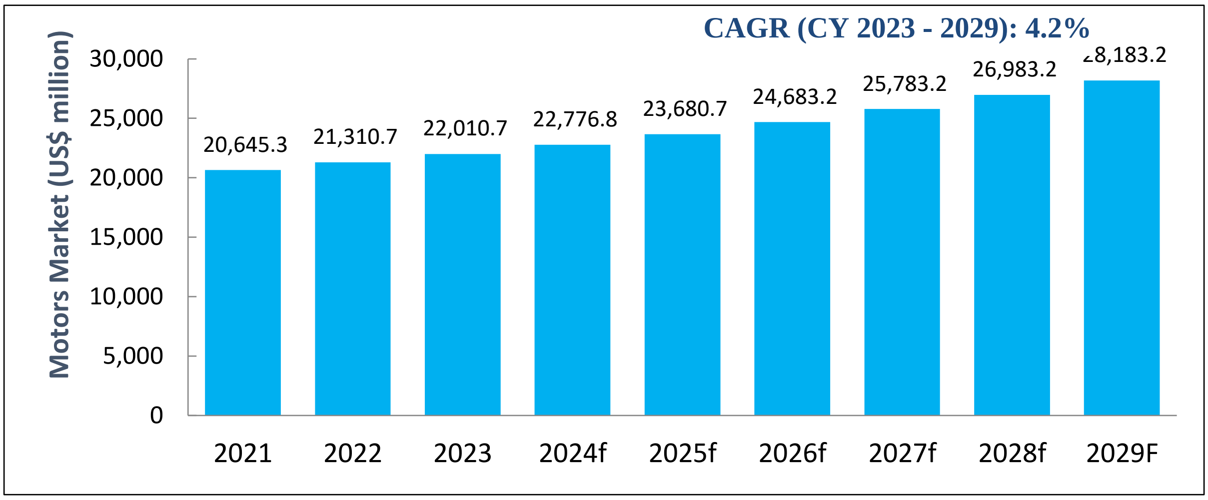
Medium Voltage (MV) and High Voltage (HV) motors in India cater to more specialized and high-energy-demand industries. MV motors are particularly significant in the burgeoning renewable energy sector, driving the operations of wind turbines across India's extensive wind farms. They also play a critical role in the cement industry, which is booming due to widespread urbanization and infrastructure projects, powering grinding mills and kilns. Additionally, they are fundamental in managing large-scale water and wastewater treatment projects, supporting India's focus on sanitation and public health infrastructure. In addition, the rapid expansion of metro rail systems across major Indian cities has increased the demand for HV motors, which are employed extensively in rolling stock and station management systems. These motors are also vital in heavy manufacturing industries like steel and cement, which are pivotal to India's infrastructure development ambitions. Both MV and HV motors support these high-stake industries by ensuring operational efficiency and durability under rigorous conditions.

3.4 Motors Market Analysis by Application (End-User) Market

Industrial Applications – Global

Motors play a pivotal role in powering critical industrial applications across diverse sectors such as oil & gas, chemical and petrochemical, food and beverage (F&B), water and wastewater (W&W), power generation, and metals and mining. These motors are crucial for driving machinery that performs essential processes including pumping, mixing, handling, and processing materials. Key drivers for the adoption of motors in these sectors include the need for increased operational efficiency, reduced energy consumption, and enhanced safety standards. However, the industry faces challenges such as the high cost of advanced motor systems, maintenance complexities, and the stringent environmental regulations that govern many of these sectors. Regional trends also influence the deployment of motors, with variations in industry focus: for example, North America and Europe emphasize advanced motor technologies for energy efficiency, while Asia-Pacific focuses on expanding industrial capabilities to support economic growth.

Exhibit 3.5 Motors Market, Global, Industrial Applications (US$ Mn), 2021-2029F



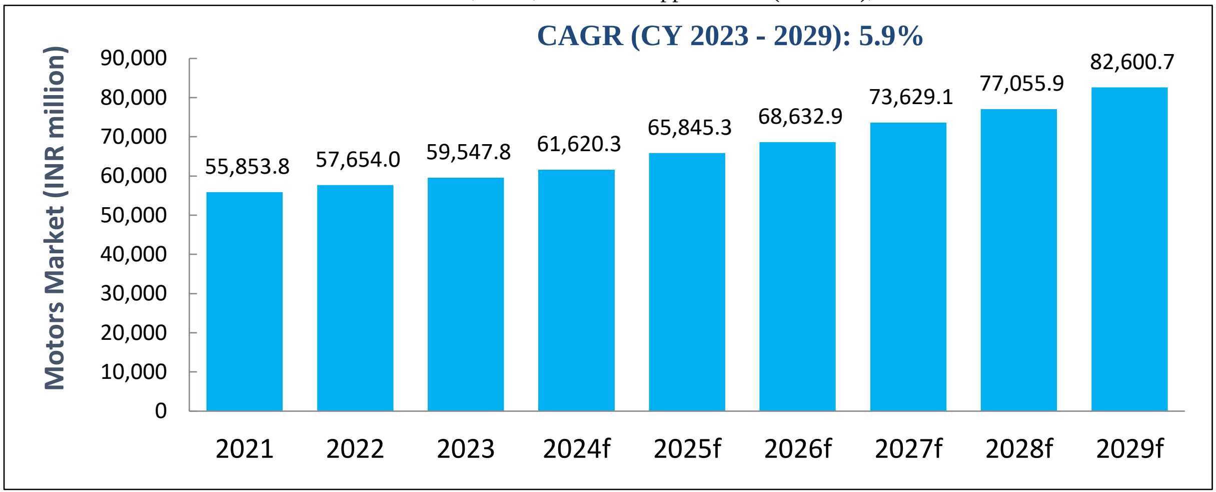
Source: Frost & Sullivan analysis

Geographically, the Asia-Pacific region is currently leading in the adoption of motors in industrial applications, driven by rapid industrialization and infrastructure development, particularly in China and India. This region shows significant potential for future growth due to ongoing investments in urbanization and industrial expansion. North America and Europe, while mature markets, are exploring new growth avenues through technological innovations in motor designs, such as the integration of IoT and predictive maintenance technologies that can offer better efficiency and operational insights. Over the forecast period, global motors market is poised to expand significantly with the increasing automation of industrial processes and the rising demand for more energy-efficient motor solutions.

Industrial Applications – India

Motors form the backbone of India's industrial framework, playing a crucial role in sectors that are vital to the country's economy, such as oil & gas, chemicals, food processing, water management, power generation, and mining. These industries depend heavily on robust motor systems to power a variety of processes including extraction, agitation, fluid transfer, and load handling. India's ongoing push for industrialization, combined with initiatives to enhance manufacturing capabilities, is propelling the demand for motors that are not only cost-effective but also align with the country's focus on reducing carbon footprints and improving energy security. Challenges specific to India, such as erratic power supply, varying industrial standards across states, and a highly price-sensitive market, necessitate the development of motors that are both energy-efficient and capable of operating under diverse and demanding conditions. Additionally, the shift towards automation and smart manufacturing in India, bolstered by government policies, is creating a burgeoning demand for smart motor solutions equipped with sensors and connectivity that enable predictive maintenance and better energy management.

Exhibit 3.6 Motors Market, India, Industrial Applications (INR Mn), 2021-2029F



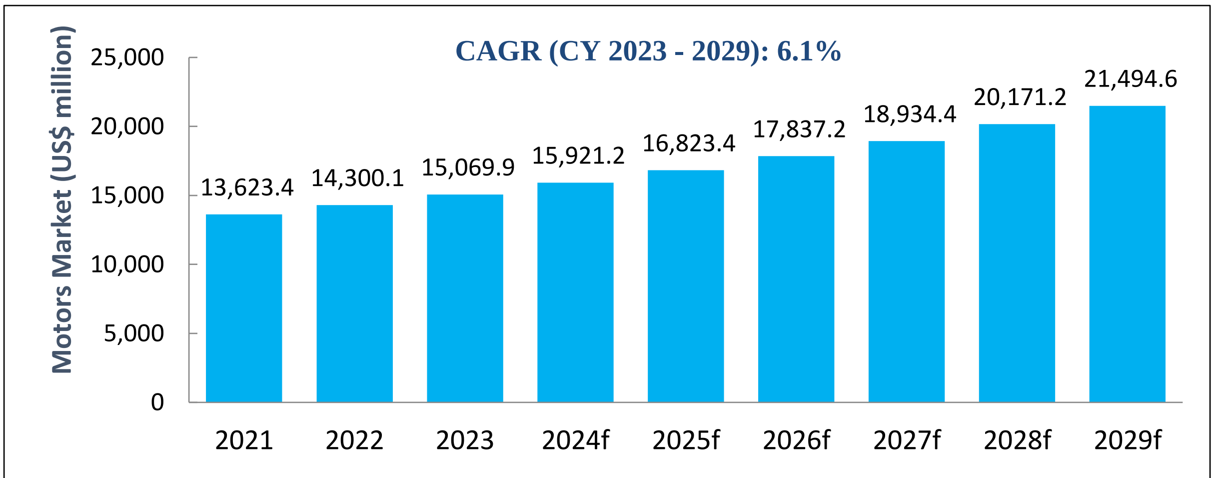
Source: Frost & Sullivan analysis

The future growth potential for motors in India's industrial sectors is promising, driven by the country's focus on expanding and upgrading its industrial capabilities. As the government pushes forward initiatives like Make in India to boost manufacturing and attract foreign investment, sectors such as renewable energy, advanced manufacturing, and infrastructure development are expected to see substantial growth. This expansion will increase the demand for advanced motor technologies that offer greater efficiency and integration with automated systems. Furthermore, the growing emphasis on sustainability and energy efficiency is set to drive the adoption of high-efficiency and low-emission motor solutions, particularly in industries such as power generation and F&B, where there is a critical need to reduce energy consumption and operational costs.

Consumer Appliance Application – Global

Motors are integral components in a wide array of consumer applications, powering devices from home appliances like washing machines and dishwashers to personal care products such as hairdryers and electric shavers. In the realm of entertainment, motors enhance user experiences in gaming consoles and virtual reality systems, while in smartphones, they are critical for functions such as haptic feedback and camera stabilization. The key drivers for motor usage in these sectors include consumer demand for greater convenience, enhanced performance, and energy efficiency. Challenges in this market segment revolve around the need for continual innovation to accommodate smaller, more efficient designs without sacrificing power or functionality.

Exhibit 3.7 Motors Market, Global, Consumer Appliances Application (US$ Mn), 2021-2029F



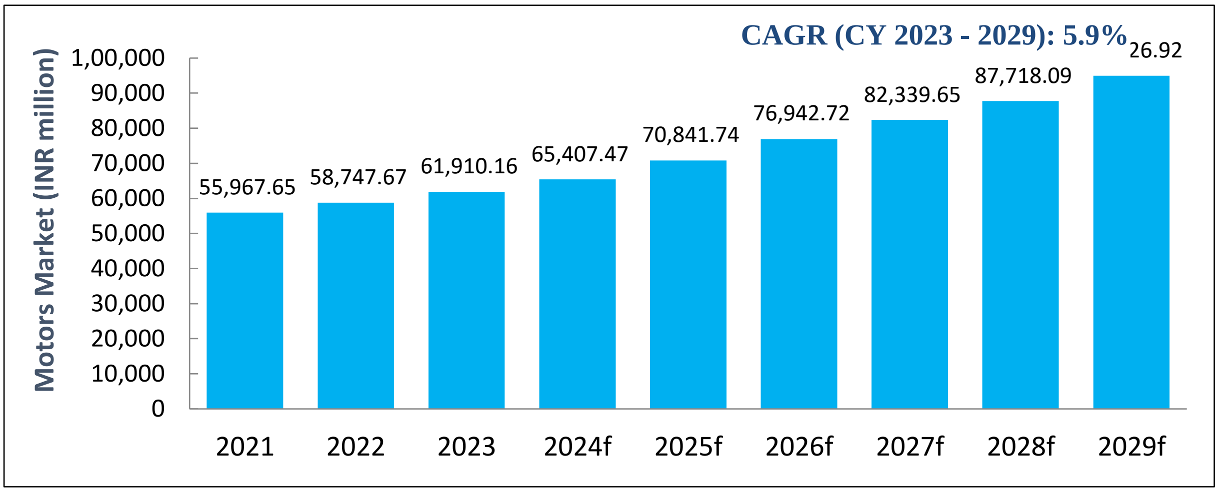
Source: Frost & Sullivan analysis

Geographically, the Asia-Pacific region dominates the consumer motors market due to its role as a global manufacturing hub, particularly for electronics and appliances, with countries like China, South Korea, and Japan leading in production and technological advancements. North America and Europe also represent significant markets, driven by high consumer spending power and a strong preference for high-end, energy-efficient appliances. Looking to the future, the potential growth opportunities in the consumer motors market are vast. The increasing adoption of smart home products and the IoT (Internet of Things) is expected to drive the demand for advanced motors that can integrate seamlessly with digital technologies for enhanced connectivity and automation. Furthermore, the rising trend towards personalization and premiumization in devices, particularly in personal care and entertainment, offers avenues for the development of specialized motors that cater to unique consumer needs and experiences.

Consumer Appliance Application – India

In India, motors are used for a wide range of consumer applications, especially in home appliances such as refrigerators, washing machines, Fans and air conditioners, which are seeing increased adoption alongside rising middle-class affluence and urbanization. The demand for motors in personal care products is also growing as consumer awareness and disposable income increase. Challenges specific to the Indian market include catering to a price-sensitive audience that demands high durability and energy efficiency due to concerns over electricity costs. Additionally, the need for products tailored to local conditions, such as voltage fluctuations and high ambient temperatures, presents unique engineering challenges. Another significant driver is the government's push for energy-efficient products through initiatives like the Bureau of Energy Efficiency (BEE) star-rating system, which encourages manufacturers to innovate in energy-saving technologies.

Exhibit 3.8 Motors Market, India, Consumer Appliance Application (INR Mn), 2021-2028F



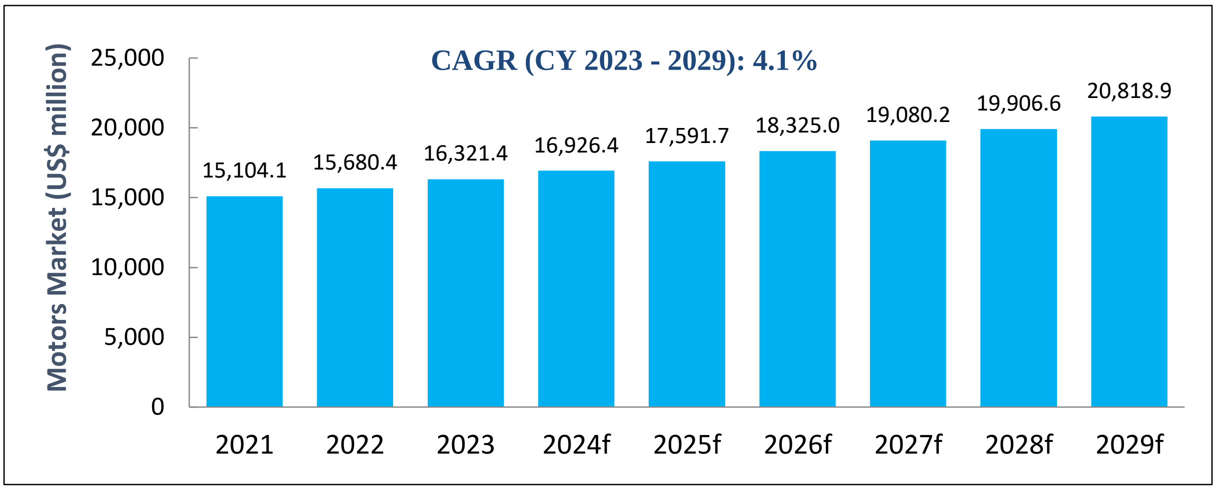
Source: Frost & Sullivan analysis

As digitalization continues to permeate every aspect of Indian life, there is substantial potential for growth in motor-driven consumer applications, particularly with the integration of smart technologies in home appliances. The increasing consumer interest in automated and energy-efficient systems is pushing manufacturers to incorporate advanced motors that can enhance connectivity and interaction with other smart devices. The personal care sector also presents significant opportunities, as evolving beauty and health awareness trends drive demand for sophisticated gadgets equipped with high-precision motors.

Pumps Application - Global

Motors are a critical component in pump systems across the globe, driving essential processes in industrial, agricultural, and infrastructure sectors. In industrial settings, motors power pumps that facilitate the processing and transportation of fluids across a myriad of operations, from chemical manufacturing to wastewater management. Agricultural applications rely on motor-driven pumps for irrigation and livestock management, vital for increasing productivity and efficiency in farming operations. The demand for reliable and efficient motor systems in these sectors is driven by factors such as the global push for increased agricultural output and the need for enhanced industrial efficiency. Challenges in this market include the high energy consumption of pump systems, the need for continuous maintenance, and the requirement for pumps to operate under varying and often harsh conditions. There is also an increasing focus on environmental sustainability, pushing for innovations that provide more energy-efficient solutions.

Exhibit 3.9 Motors Market, Global, Pumps Application (US$ Mn), 2021-2029F



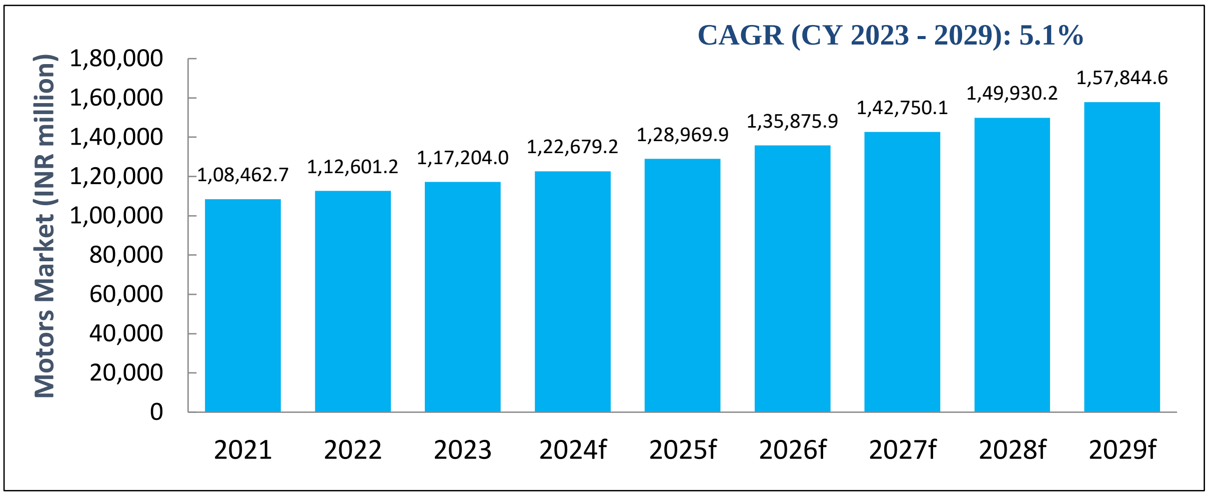
Source: Frost & Sullivan analysis

The demand for motor-driven pumps varies significantly across regions due to differences in industrial activity, agricultural practices, and infrastructure development. The Asia-Pacific region, led by China and India, is witnessing substantial growth due to rapid industrialization and extensive agricultural activities that require robust pumping solutions. North America and Europe continue to focus on upgrading existing infrastructure and increasing energy efficiency, driving demand for advanced motor technologies that offer greater reliability and lower operational costs. In the future, significant growth opportunities lie in the development of smart pumps equipped with sensors and connectivity that enable predictive maintenance and optimize energy use. This technology is particularly promising in regions with aging water infrastructure and in emerging markets where urbanization is increasing demand for water and wastewater management.

Pumps Application – India

In India, motors play a pivotal role in the functionality of pumps across various key sectors. Industrial applications include extensive use in sectors such as oil refineries, petrochemical plants, and manufacturing facilities where pumps are essential for operations like fluid transfer, heat exchange, and waste management. In agriculture, which is a cornerstone of the Indian economy, motor-driven pumps are crucial for irrigation systems, significantly impacting crop yields and farming efficiency. Infrastructure developments such as urban water supply and sewage treatment heavily rely on robust pumping systems to manage water resources effectively. Key drivers for the adoption of motor-driven pumps in India include the government's focus on infrastructure improvements and water conservation, alongside initiatives to enhance agricultural productivity through modernization. However, challenges such as power supply instability, water scarcity, and the need for cost-effective solutions persist, demanding more innovative and durable motor technologies.

Exhibit 3.10 Motors Market, India, Pumps Application (INR Mn), 2021-2029F



Source: Frost & Sullivan analysis

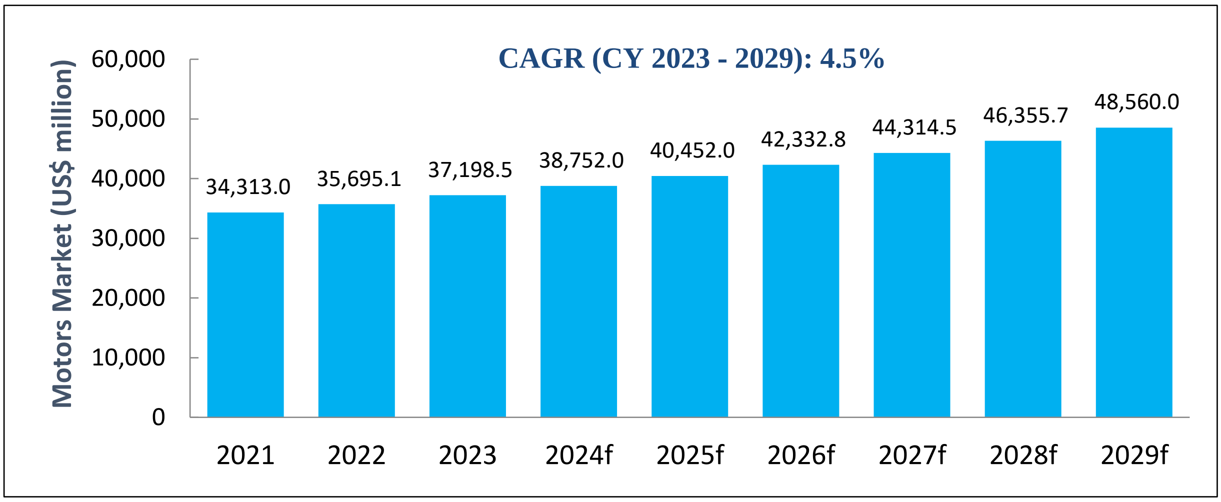
Looking ahead, the Indian market for motors in pump applications holds substantial potential for growth, driven by several factors. The ongoing expansion of urban infrastructure projects, including smart city initiatives, presents opportunities for advanced, energy-efficient motor systems that can support sustainable urban development. In agriculture, the trend towards technologically enhanced farming practices is expected to increase the demand for solar-powered and energy-efficient pump systems, which align with the government's push for renewable energy and reduced dependency on diesel-powered systems. Furthermore, the industrial sector's move towards automation and IoT integration offers prospects for smart pump solutions that can optimize energy use and maintenance through real-time monitoring and control.

Automotive Components Application – Global

Motors are integral to a wide array of automotive subsystems, including thermal management systems, powertrain components, active safety features, power steering systems, seat positioning mechanisms, tensioning devices in seat belts, window regulators, actuation systems in door locks, and windshield wiper systems. Their function is crucial not only for the basic operational aspects of vehicles but also for enhancing passenger comfort, safety, and the overall driving experience. Key drivers for the use of motors in these applications include the automotive industry's shift toward more fuel-efficient and environmentally friendly vehicles, increasing demand for user comfort, and the integration of advanced safety features. Challenges in this sector include the need for cost-effective manufacturing solutions, durability in harsh automotive environments, and compliance with stringent global emissions standards. Additionally, the rapid advancement in automotive technology, such as the shift towards electric and autonomous vehicles, presents both challenges and opportunities for innovation in motor designs and applications.

Exhibit 3.11 Motors Market, Global, Automotive Components Application (US$ Mn), 2021-2029F

Source: Frost & Sullivan analysis

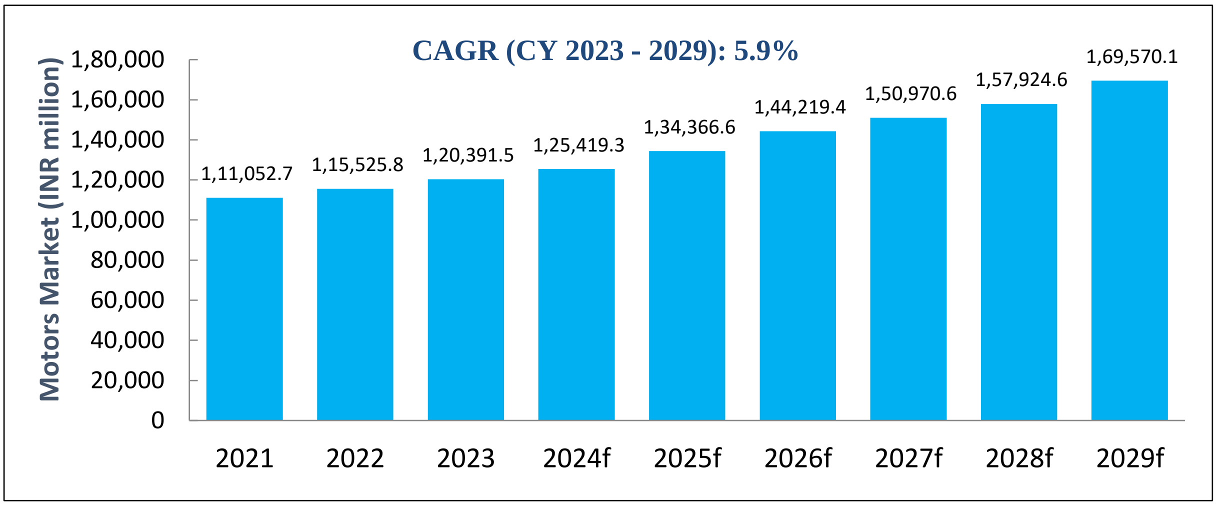


The automotive industry's evolution continues to drive significant demand for specialized motors across a wide range of applications. The global market is seeing increasing incorporation of motors in safety and comfort features, such as advanced window, seat, and door mechanisms, as well as in steering systems and wipers that contribute to enhanced vehicle functionality and user experience. As automakers strive to meet higher standards of passenger safety and comfort, there is a growing trend towards more automated and sensor-equipped components, which require precise motor operations. North America and Europe are likely to see continued growth in these areas due to stringent safety regulations and high consumer expectations for vehicle quality and features. Additionally, markets in Asia-Pacific are not only expanding in terms of vehicle production but are also increasingly adopting sophisticated automotive technologies, which further stimulates the demand for advanced motors. Future opportunities will likely focus on integrating more connectivity and automation in components, pushing motor manufacturers to innovate in compact, efficient designs that can seamlessly integrate into increasingly complex automotive systems.

Automotive Components Application – India

In India, motors are essential to enhancing both the functionality and the efficiency of modern vehicles. They are integrated across a variety of automotive subsystems such as engine management systems, climate control systems, power steering, and safety features like anti-lock braking systems (ABS). As the Indian automotive market evolves, there is an increasing demand for vehicles that offer advanced features traditionally seen in more developed markets, driven by a growing middle-class consumer base. This trend is pushing for more sophisticated motor applications to improve vehicle comfort, safety, and performance. Challenges include adapting these technologies to India's varied climate conditions and road infrastructure, as well as managing cost pressures from an extremely price-sensitive market.

Exhibit 3.12 Motors Market, India, Automotive Components Application (INR Mn), 2021-2029F



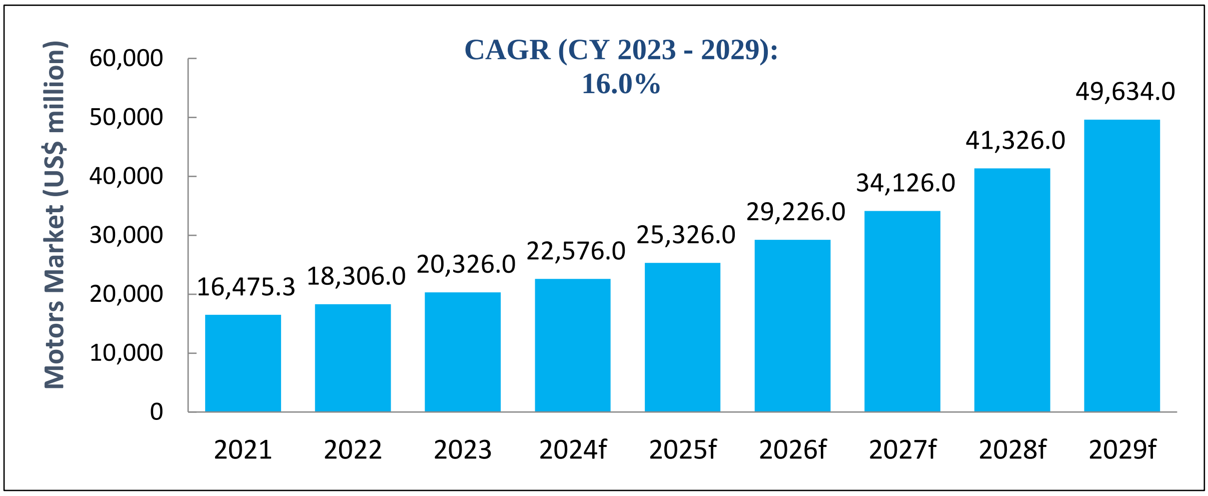
Source: Frost & Sullivan analysis

The potential for growth in the Indian automotive motors market is substantial, driven by the increasing demand for vehicles equipped with advanced safety and comfort features. There is a growing consumer preference for features such as automatic climate control, electronically adjustable seats, and sophisticated infotainment systems, which all require reliable and efficient motors. Additionally, as the focus on vehicle safety in India intensifies, more automobiles are being equipped with systems that rely on motors, such as electronic stability control and advanced airbag systems.

Electric Vehicles (EVs) Application – Global

Approximately 14 million EVs were sold globally in 2023, comprising both battery electric vehicles (BEVs) and plug-in hybrid electric vehicles (PHEVs). Motors are central to the functionality and efficiency of electric vehicles, where they are not only employed for propulsion but also in various auxiliary systems that enhance vehicle performance and passenger comfort. In EVs, propulsion motors convert electrical energy into mechanical energy, providing the driving force behind the vehicle. Additional smaller motors are used extensively across a range of applications including power steering, HVAC systems, and power windows, as well as in innovative technologies like regenerative braking systems that help increase the vehicle's range by converting kinetic energy back into stored electrical energy. Key drivers for the integration of these motors include the global push towards reducing carbon emissions, the improvement of air quality, and the growing consumer demand for greener transportation options. Challenges facing the adoption of motors in EVs include the high initial costs, the need for improved battery technologies to extend vehicle range, and the development of more efficient and compact motor designs that can operate effectively under various environmental conditions.

Exhibit 3.13 Motors Market, Global, EVs Application (US$ Mn), 2021-2029F



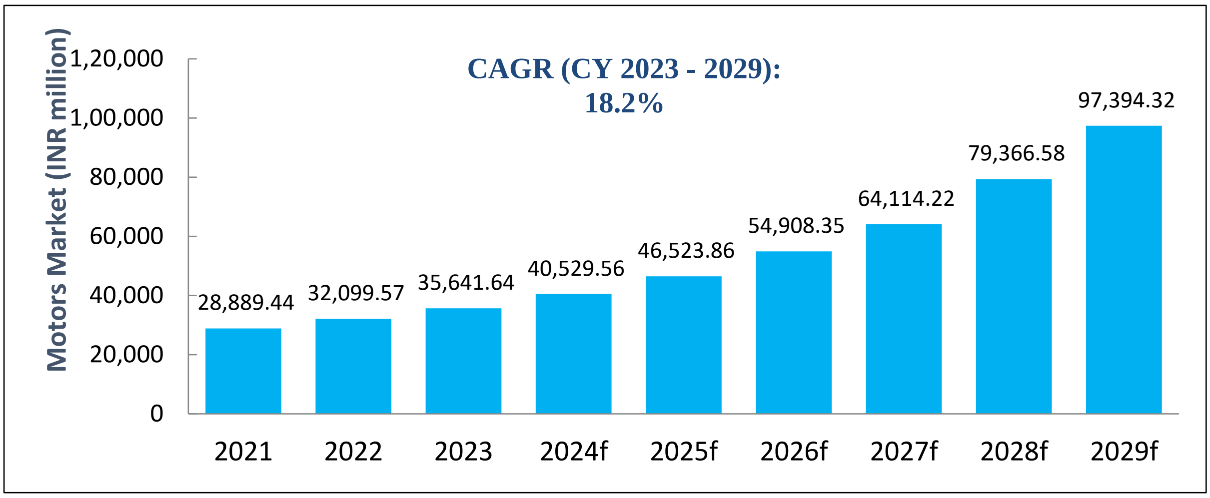
Source: Frost & Sullivan analysis

The EV market is experiencing rapid growth worldwide, with significant geographic variation in adoption rates. Europe, China, and the United States are currently leading the charge, driven by governmental policies favouring green energy, substantial investments in EV infrastructure, and incentives for EV buyers. Asia-Pacific, particularly China, is not only the largest market but also a major center for innovation in EV technology, including motor development. European countries are fostering EV adoption through stringent emissions regulations and extensive subsidies, while the U.S. market is bolstered by state-level incentives and a growing consumer shift towards sustainability. Future growth in EV motor applications is promising, with advancements in motor technology expected to focus on increasing efficiency, reducing weight, and minimizing the cost of production. Furthermore, as the charging infrastructure matures and battery technologies advance, the market for EVs and their component motors is expected to expand, further spurred by an increasing range of EV models catering to varying consumer needs.

Electric Vehicles (EVs) Application – India

In India, the role of motors in electric vehicle (EV) components is becoming increasingly significant as the country embarks on its journey towards electrification of transportation. Motors in Indian EVs are essential not only for the vehicle's propulsion, enabling a shift away from traditional combustion engines, but also for powering ancillary systems like electric power steering, brake systems, and thermal management systems for battery packs. The push for EV adoption in India is largely driven by the government’s initiatives to reduce carbon emissions and dependence on imported oil. Opportunities lie in developing motor designs to better suit the unique needs of the Indian market, such as variations in power usage and efficiency that can handle frequent starts, stops, and idling in dense traffic conditions.

Exhibit 3.14 Motors Market, India, EVs Application (INR Mn), 2021-2029F



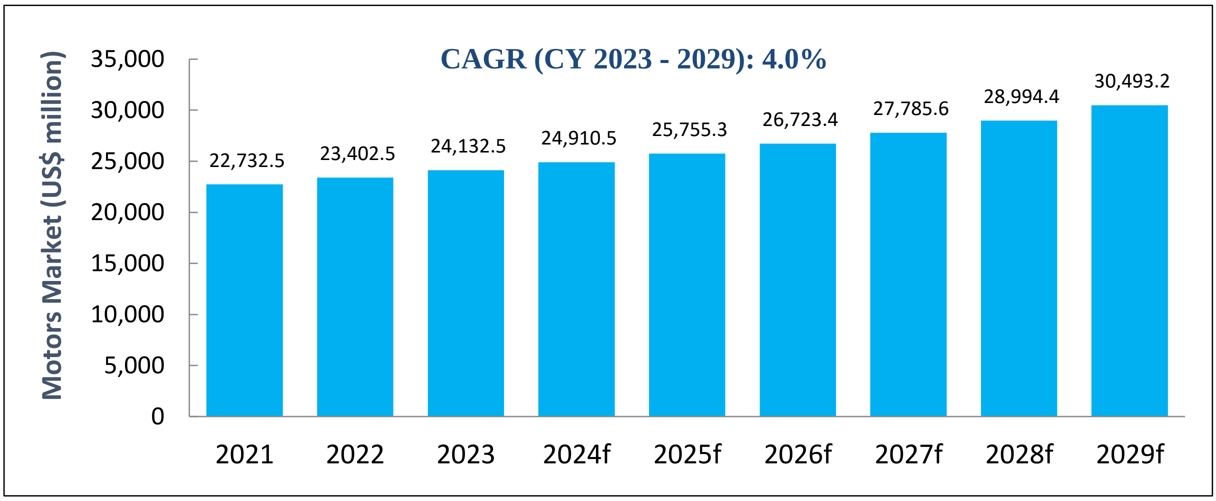
Source: Frost & Sullivan analysis

The potential for growth in the EV motor market in India is substantial, driven by evolving government policies that favor electric mobility, such as FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) and subsidies for electric two-wheelers and three-wheelers, which are widely used in urban and rural areas of India. As the local manufacturing ecosystem strengthens with initiatives like 'Make in India', there is a growing opportunity for domestic motor manufacturers to innovate and scale up production. This development is further supported by investments from major automotive players and new startups entering the electric mobility space. In addition, advancements in technology and decreasing costs of components are expected to make EVs more accessible to the average consumer, thereby increasing the demand for high-performance and durable electric motors.

Railways & Metro Application - Global

Motors are crucial components in the railway and metro sectors, where they serve a variety of critical functions ranging from propulsion systems to door operations and ventilation systems. In these applications, motors ensure the efficient and safe transport of passengers and goods, facilitating rapid, reliable, and comfortable travel. The primary drivers for the use of motors in these sectors include the global push towards urbanization, which necessitates robust public transit solutions, and increasing environmental concerns that favor the expansion of electric and hybrid rail systems over traditional diesel-powered trains. Challenges in this market include the high costs associated with upgrading and maintaining railway infrastructure, the need for motors that can withstand harsh operating conditions and meet rigorous safety standards, and the technological integration required to ensure compatibility with modern control systems. Opportunities exist in the innovation of more energy-efficient motors and systems that can reduce operational costs and enhance the performance and reliability of rail vehicles.

Exhibit 3.15 Motors Market, Global, Railways & Metro Application (US$ Mn), 2021-2029F



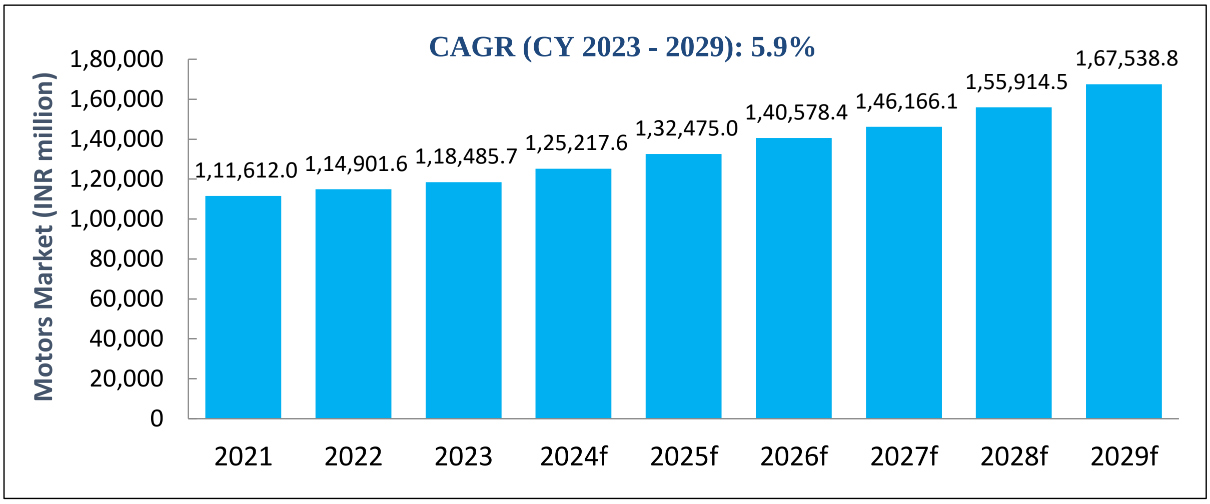
Source: Frost & Sullivan analysis

The geographic trends in the railway and metro motor markets are closely aligned with regional infrastructure developments and urban planning initiatives. In regions like Europe and Asia, particularly countries like China, Japan, and India, significant investments are being made in new metro and high-speed train projects, driven by urban congestion and environmental policies. Europe continues to lead in the adoption of sustainable technologies, including the use of electric and hybrid systems in railways, which require specialized motors for energy-efficient operation. North America, while having a more established rail network, is focusing on modernizing and expanding its metro systems in major cities to address urban sprawl and reduce road traffic congestion. Future growth in this sector is expected to come from the continued expansion of urban rail systems in emerging economies and the increasing adoption of smart, automated technologies that improve operational efficiencies and passenger comfort. Additionally, the push for green transportation solutions worldwide is likely to spur further advancements in motor technology, specifically in developing motors that offer greater energy efficiency and lower emissions.

Railways & Metro Application - India

The demand for robust motors is driven by India's massive rail infrastructure projects and the government's focus on modernizing existing rail lines and expanding metro networks in major cities to alleviate urban congestion and enhance public transport. There is also a growing need for energy-efficient solutions to reduce operational costs and minimize environmental impact, presenting opportunities for innovation in motor design and applications in the rail sector.

Exhibit 3.16 Motors Market, India, Railways & Metro Application (INR Mn), 2021-2029F



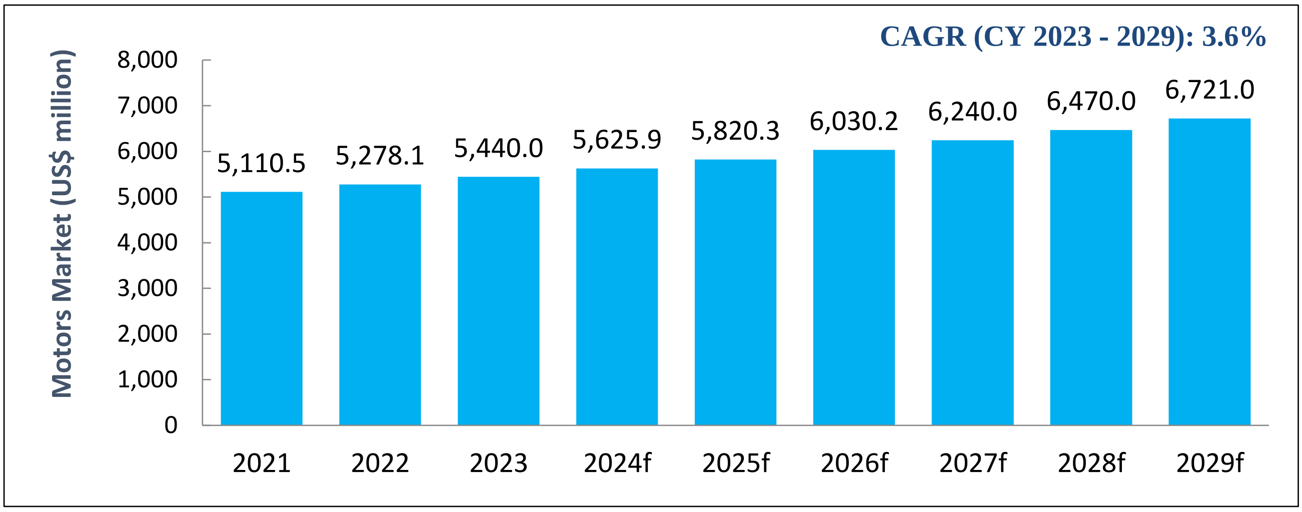
Source: Frost & Sullivan analysis

The future for motors in India's railway and metro sectors looks promising, with extensive government investment in transport infrastructure under initiatives like the Smart Cities Mission and the Metro Rail Policy. These initiatives aim to encourage sustainable urban development and improve public transport systems, which will increase the demand for new and replacement motors. Additionally, the shift towards more automated and energy-efficient systems in metro and railway networks offers significant growth potential for motor manufacturers. Technologies such as automatic train operation (ATO) and regenerative braking systems, which require sophisticated motor designs, are expected to see increased adoption. This technological advancement, coupled with India's focus on enhancing passenger safety and comfort, is likely to drive continuous demand for innovative motor solutions in the railway and metro sectors.

Other Applications – Global

The Others segment include industries such as pharmaceutical, cement, agriculture, textiles, pulp & paper, marine, aerospace, automotive and other discrete sectors. Motors play a crucial role across a wide spectrum of industries, each with its specific requirements and challenges. In the pharmaceutical sector, motors are key to driving precision machinery that requires exact speeds for consistent product quality. The cement industry relies on heavy-duty motors for grinding mills and kiln applications where robustness and energy efficiency are critical. In agriculture, motors enhance the functionality of equipment like tractors and combine harvesters, directly influencing productivity and operational efficiency. Textiles, pulp & paper, and marine industries also depend heavily on motors for various processes, from spinning fibers to powering ships. The automotive and aerospace sectors require highly reliable and efficient motors for production lines. Each of these sectors faces unique challenges such as the need for precision, energy efficiency, durability under harsh conditions, and compliance with industry-specific regulations.

Exhibit 3.17 Motors Market, Global, Other Applications (US$ Mn), 2021-2029F



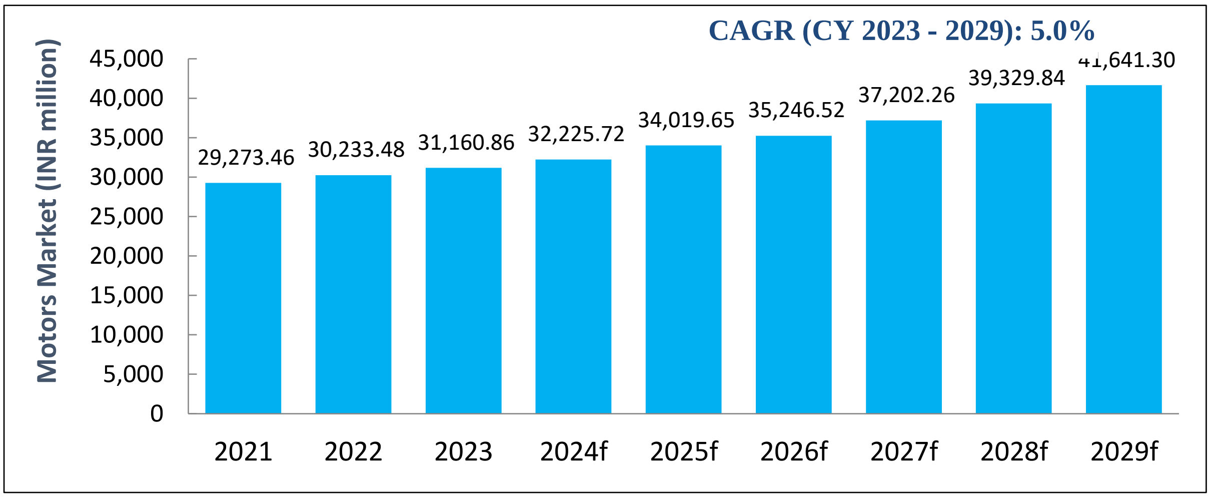
Source: Frost & Sullivan analysis

Asia-Pacific leads in sectors like textiles and electronics due to its established manufacturing bases in countries like China and India. North America and Europe are pioneers in automotive and aerospace innovations, integrating advanced motor technologies. Emerging economies in Latin America and Africa are experiencing growth in agricultural and sectors, which in turn drives the demand for more robust motor solutions.

Other Applications – India

In India, motors are pivotal across numerous sectors, driving both traditional and emerging industries. In the pharmaceutical industry, precision and hygiene are paramount, with motors powering equipment that must operate under strict cleanroom conditions. The cement industry, which is critical for India's infrastructure growth, relies on heavy-duty motors for limestone grinding and clinker formation. Agriculture, a key part of India's economy, benefits from motors in irrigation systems and automated harvesting equipment, enhancing productivity and resource efficiency. The textile industry uses motors in spinning, weaving, and processing applications, where reliability and energy efficiency are crucial for maintaining India's competitive edge. Moreover, the burgeoning sectors like pulp & paper and marine also significantly depend on robust motor systems for operational success.

Exhibit 3.18 Motors Market, India, Other Applications (INR Mn), 2021-2029F



Source: Frost & Sullivan analysis

The potential for motor market growth in India is substantial due to several factors. As the Indian government continues to push for industrialization with initiatives like 'Make in India', there is a growing demand for motors that support the automation and modernization of factories, especially in sectors such as automotive and aerospace. The increasing trend towards digitalization and IoT integration in industrial applications presents a significant opportunity for the development of smart motors that can offer real-time data analytics, predictive maintenance, and enhanced operational efficiency.

4. Global Alternator Market Overview

Industry Overview

Alternators plays a vital role in generating electricity for various sectors including conventional power generation, automotive, agriculture etc. and helps in converting mechanical energy into electrical power. Owing to increasing technological advancements and changing market needs, the global alternator industry is aiming for greater efficiency and sustainability. Additionally, the rise of smart grid systems and distributed energy generation has fueled global demand for alternators in renewable energy applications such as wind turbines.

Alternators are often categorized under various types according to their end use application. These could be brushed alternators, brushless alternators, synchronized, and induction alternators. The choice of alternator type depends on various considerations such as efficiency, reliability, and application-specific requirements, ensuring optimal performance in diverse operational settings. Furthermore, the application of alternators spans a wide range of sectors, highlighting their versatility and essential role in modern technology and industry. In the automotive sector, alternators are crucial for powering vehicle electrical systems and recharging batteries. In industrial settings, alternators are used in power generation plants to provide a stable and efficient power supply. It is also integral to construction equipment and machinery, ensuring uninterrupted power for essential operations.

4.1 Categorization of Alternators (by type, power, end use application, capacity rating):

4.1.1 Categorization by Types of Alternators:

Brushed Alternators: A brushed alternator uses brushes (or carbon brushes) to help conduct electricity through an alternator or generator. The brushes act as an electrical contact to help move the current from the alternator to that which needs power. It does this by transferring the current as it spins with the rotor of the alternator. However, it requires a lot of maintenance as the carbon or graphite brushes wear down over time and collect dust, also it will have to be replaced every few years.

Brushless Alternators: A brushless alternator uses two sets of rotors that spin together to generate and transfer the electrical current. It does not use brushes to create electricity. Instead, a small generator on the end of the equipment transfers electrical current. Brushless alternators are suitable for primary generators and capable of long-term use. It produces less noise than brushed generators and present a smooth operation. Without brushes, there is much less friction when the generator is running.

Synchronized Alternators: Synchronization of alternator means connecting an alternator into a grid in parallel with many other alternators that are in a live system of constant voltage and constant frequency. Many alternators and loads are connected into a grid, and all the alternators in the grid are having the same output voltage and frequency. This is also known as running two or more alternators in parallel.

Induction Alternators: An induction generator or asynchronous generator is a type of alternating current (AC) electrical generator that uses the principles of induction motors to produce electric power. Induction generators operate by mechanically turning their rotors faster than synchronous speed. An induction generator produces electrical power when its rotor is turned faster than the synchronous speed.

4.1.2 Categorization by Output Power:

Single Phase Alternator: A single phase alternator has a stator made up of number of windings in series, forming a single circuit in which an output is generated. It is an alternating current electrical generator that produces a single, continuously alternating voltage. These are used in small-scale applications like homes and offices.

Two Phase Alternator: A two-phase alternator consists of two one-phase generators. The phase of the two output voltages of the alternator is shifted 90 degrees. While specific applications for two-phase alternators are not as common as single and three-phase alternators, they can be found in some specialized systems where two-phase power is required.

Three Phase Alternator: A three-phase alternator is a synchronous machine that converts mechanical energy into 3-phase electrical energy through the process of electromagnetic induction. A three-phase alternator, also called a three-phase synchronous generator, has a stationary armature and a rotating magnetic field. In a three-phase alternator, the frequency of generated voltage depends upon the speed of rotation and the number of field poles in machine. They are widely used in industries like power generation, railway, mining, military, breeding, shipbuilding, and more. They are also popular in renewable energy applications like wind turbines and small-scale hydroelectric power plants.

4.1.3 Categorization by End-use Application

Conventional Power Plants: In conventional power plants, Alternators are used with various types of turbines such as steam turbines, gas turbines, hydro turbines, etc. The Alternators convert the mechanical energy from the spinning rotor into electrical energy. Similarly, alternators are used in hydropower station converting kinetic energy and pressure energy of water into electrical energy. Alternators also find applications in Pumped Storage projects in the country.

Power Generation/Diesel Generator (DG): Alternators in DG sets convert the mechanical energy produced by the diesel engine into electrical energy. They are essential for providing backup power in various settings, from industrial facilities to residential areas. The diesel engine powers the rotor of the alternator, causing it to rotate at a specific speed. As the rotor spins, it creates a changing magnetic field around the field winding. This changing magnetic field induces an alternating current (AC) in the stator windings through electromagnetic induction.

Renewable Energy: In the renewable sector, Alternators are used with small hydro turbines (capacity upto 25 MW) and wind turbines. It is also known as wind generators that eliminates the use of gear box by directly coupling rotor to alternator unlike the traditional wind turbines.

Automotive Application: Alternators used in automobile are generally located near the motor front and are driven by a crankshaft that allows vertical movement of the pistons into circular motion. The automotive alternators provide electricity for the electrical equipment of a car such as in and out lighting system and the instrument panel.

Marine Applications: The alternators used in marine applications are called as marine alternators. They are designed specifically to withstand the corrosive salt-water conditions. The typical output level of a marine alternator is about 12 or 24 volts. In big marine sheep, more than one unit is used to provide power.

Radio Alternators: These alternators are used for low band radio frequency transmission. They are alternators for radio transmission with low band radio frequency.

4.1.4 Categorization by Capacity Rating

Basic Continuous Rating (BR): This rating specifies the maximum continuous operation at which the alternator may be operated for an unlimited number of hours per year, while complying with the requirements of the appropriate standards. For industrial use alternators, three Base Continuous Rating levels are offered, based on temperature rise limits and a standards ambient temperature of 40°C: Class “H” (125°C/40°C), Class “F” (105°C/40°C), and Class “B” (80°C/40°C).

Peak Continuous Rating (PR): Also known as the Peak Standby Rating, this rating level allows the permissible alternator temperature to rise to increase by a specified amount according to its insulation system thermal classification. For an insulation system with thermal classification ‘H’, the total temperature may be increased by 25^0C for alternator ratings of < 5MVA. For industrial use alternators, two Peak Standby Rating levels are offered, based on temperature rise limits and ambient temperatures that provide a total temperature 10°C above the total temperature limit for the insulation system.

Emergency Standby Power (ESP) Rating: This rating is used for applications where the power is used during the loss of normal utility power. The ESP rating is typically used for standby generators that provide backup power to essential loads in the event of a power outage. These generators have an operation limit and are not intended to be used continuously.

Limited Time Prime (LTP) Rating: This rating is used for applications where full load is required for a limited time. For instance, during peak demand periods, an alternator with an LTP rating can be used to supplement the main power supply.

Prime Rated Power (PRP) Rating: This rating is used for applications where variable load is required for an unlimited number of hours. PRP-rated alternators are often used in applications where the alternator is the main source of power, rather than a backup source. These alternators are designed to operate continuously at variable load.

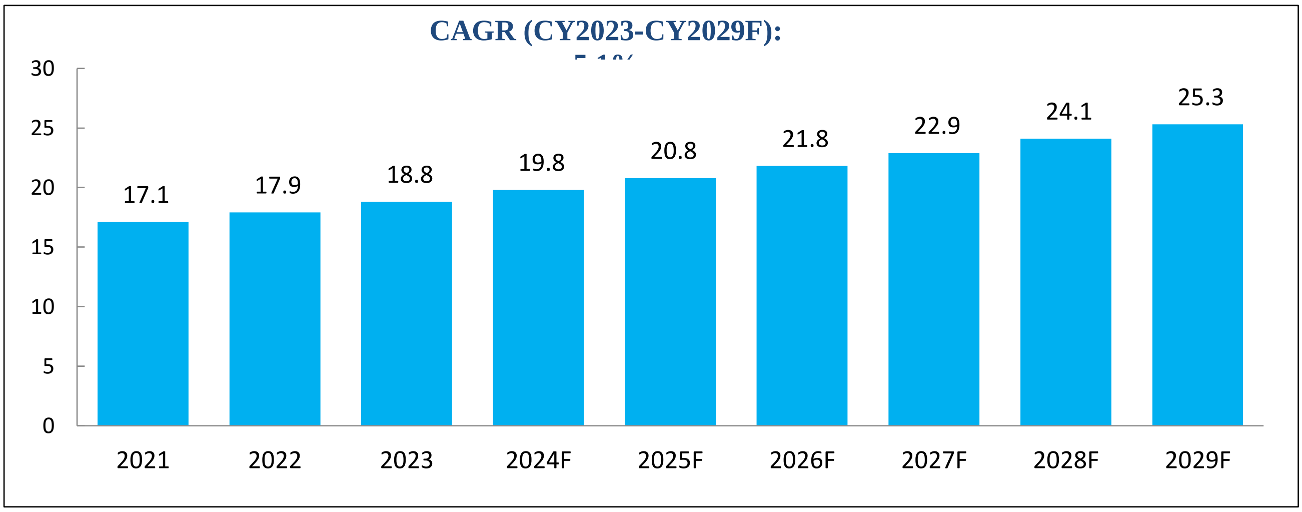
4.2 Alternator Market Size and Outlook

4.2.1 Global Alternator Market Size and Outlook

With the persistent evolution of technology and the increasing emphasis on sustainable energy solutions, alternators have emerged as integral components in numerous applications worldwide. In the Asia-Pacific region, rapid industrialization, infrastructural development, and a burgeoning automotive sector are key drivers, while North America sees significant demand due to stringent emission regulations and a focus on energy efficiency. In Europe, initiatives promoting renewable energy integration and transportation electrification propel market expansion, while Latin America and the Middle East & Africa regions witness growth due to infrastructure projects and increasing investments in renewables.

Technological advancements in alternator design and manufacturing have further contributed to market growth. Modern alternators are becoming more efficient, compact, and capable of delivering higher performance under various environmental conditions. This innovation is particularly important for applications in environments such as offshore oil rigs and remote military operations, where reliability and durability are paramount. Moreover, the integration of smart technologies and IoT in alternators enhances their functionality, allowing for real-time monitoring and maintenance that reduces downtime and operational costs.

Exhibit 4.1: Alternators Market, Global, US$ Bn, CY2021-CY2029F



Source: Frost & Sullivan analysis

In 2023, the global Alternator market was valued at US$18.8 Bn, and is projected to experience a compound annual growth rate (CAGR) of 5.1% over the forecast period, reaching US$25.3 Bn by 2029. The increasing need for uninterrupted power supply in both developed and developing regions will further drive demand. As industries and consumers alike seek more efficient and reliable power generation solutions, the role of alternators will become increasingly vital. Market participants, including major players like ABB, Mecc Alte, Cummins, General Electric, Siemens, are well-positioned to capitalize on these trends, contributing to the market's robust growth and evolution.

4.2.1.1 Key Growth Drivers and Market Restraints- Global

Growth drivers

Renewable Energy Growth: With the global shift towards sustainable energy sources, the demand for alternators used in renewable energy systems such as wind turbines and hydroelectric plants is increasing. Alternators play a vital role in converting mechanical energy from these sources into electrical power.

Technological Advancements: Ongoing advancements in alternator technology improve efficiency, reliability, and performance. Innovations such as high-efficiency designs, better materials, and advanced control systems contribute to the growth of the alternator market by making them more attractive for various applications.

Industrialization and Infrastructure Development: Rapid industrialization and infrastructure development in emerging economies require reliable power generation solutions. Alternators are integral components of backup power systems, construction equipment, and various machinery used in these sectors.

Automotive Electrification: The global trend towards electrification extends to transportation, including electric vehicles (EVs), hybrid vehicles, and electric trains. Alternators are used in these vehicles to charge batteries and power onboard electronics, contributing to the growth of the alternator industry.

Emergence of Microgrids and Distributed Generation: The rise of microgrids and distributed generation systems, especially in remote or off-grid areas and for critical infrastructure like hospitals and data centers, drives the demand for alternators. These systems rely on alternators for reliable power generation in decentralized settings.

4.2.1.2 Market restraints

Economic Uncertainty and Volatility: Economic uncertainties, such as recessions or financial crises, leads to reduced consumer spending and investment in infrastructure projects, affecting the demand for alternators across various sectors like automotive, construction, and power generation. Additionally, currency fluctuations and trade tensions between major economies can impact production costs and pricing strategies, making it challenging for alternator manufacturers to maintain profitability and competitive pricing.

Regulatory Compliance and Environmental Standards: Stringent regulations regarding emissions, energy efficiency, and environmental sustainability pose significant challenges for alternator manufacturers. Moreover, frequent changes in regulations across different regions and markets add complexity to product development and distribution processes, potentially leading to delays and increased costs. Balancing compliance with regulations along with maintaining cost-effectiveness and innovation is a persistent restraint in the global alternator industry.

4.2.2 India Alternator Market Size and Outlook

4.2.2.1 Industry Overview

The alternator market in India, characterized by the deployment of synchronous generators, plays an important role in the nation's power generation infrastructure. These devices, which are engineered to convert mechanical energy into electrical energy, are utilized extensively across a myriad of sectors, encompassing power generation, automotive, industrial, marine, and beyond. The demand trajectory for alternators in India is primarily shaped by the expansion of the installed power generation capacity, industrial sector, an upsurge in vehicle manufacturing, and the imperative for a reliable power supply, especially in geographically remote locations.

Over the preceding years, the Indian alternator market has demonstrated a significant growth trend. This growth phenomenon is largely related to the country's accelerated pace of industrialization and urbanization. Initiatives undertaken by the government with the objective of amplifying manufacturing activities have also played a pivotal role in this growth narrative. Moreover, the escalating demand for energy-efficient solutions, the emergence of hybrid and electric vehicles, and the transition towards environmentally sustainable power generation methodologies have further catalyzed the expansion of the alternator market. This executive summary underscores the strategic importance of the alternator market within India's power generation landscape and elucidates the key drivers propelling its growth. It presents a comprehensive analysis of the prevailing market trends and provides a forward-looking perspective on the future potential of this dynamic sector.

Alternator Market for DG Set applications

Overview of Indian Diesel Generators (DG) Set Market

The DG Sets play a crucial role in ensuring a reliable and uninterrupted power supply across various industries, including telecom, Hospitality, Govt. services, healthcare, IT, construction, and more. The market comprises a wide range of products, segmented based on their power output, from LHP (Low HP) that ranges from 5 kVA – 75 kVA, then MHP (Medium HP) that ranges from 82.5 kVA – 400 kVA and HHP (High HP) that ranges from 500 kVA and above. By volume, LHP segment holds approx. 71% share of the overall DG set market and is catered by companies such as Kirloskar Oil Engines, Mahindra Powerol, Either TMTL, Escorts etc. MHP segments accounts for approx. 23% share of the market by volume and is catered by companies such as Kirloskar

Oil Engines, Cummins, Ashok Leyland, etc. The HHP segment which accounts for the remaining 6% share of the market by volume, is the largest segment by total KVA and Value (approx. 45% share) and is catered companies such as Cummins, Caterpillar, Perkins, etc.

A significant development in the DG market in India has been the transition to Central Pollution Control Board (CPCB) IV+ emission standards. As of July 2023, India transitioned from CPCB II to CPCB IV+ emission standards for gensets. This transition signifies the Indian government's commitment to combat air pollution and aligns its emission standards with those of European and American economies. The CPCB IV+ regulations mandate a 90% reduction in particulate matter (PM) and nitrogen oxide (NOx) concentrations in generator exhaust, surpassing the existing CPCB II standards.

This transition to CPCB IV+ emission standards has also driven significant technological innovation within the sector. The CPCB IV+ compliant genset range is now equipped with advanced engines and emission control technologies, such as electronic fuel systems, advanced after-treatment systems (ATS), and exhaust gas recirculation (EGR) systems. These technological upgrades promise more efficient fuel combustion, improved pollutant control, and enhanced fuel efficiency.

The growth of the Diesel Generator (DG) market in India is significantly influenced by various end-user industries. These industries, which include manufacturing, process, infrastructure, telecom, residential, and IT/ITes, have seen growth, particularly during the Q4 of FY24. The demand from these industries is driven by the need for continuous power, especially in sectors where power interruption can lead to significant operational disruptions. As these sectors continue to grow and evolve, the demand for DG sets is likely to increase, further driving the growth of the market.

The Diesel Generator (DG) market in India has been witnessing significant growth across various regions. Each region, with its unique industrial and infrastructural landscape, contributes to the overall growth of the DG market. The demand for DG sets is driven by the need for continuous power, especially in sectors where power interruption can lead to significant operational disruptions. As these regions continue to grow and evolve, the demand for DG sets is likely to increase, further driving the growth of the market.

Following are the region wise segmentation of DG market:

Northern Region: The northern region, which includes states like Uttar Pradesh, Delhi, Haryana, Punjab, J&K etc. has witnessed growth in the DG market due to the surge in construction and development projects (including Jal Jeevan Mission). These projects often require DG sets for power, particularly in areas where the power supply is inconsistent or unavailable. Northern region holds the highest market share in the Indian DG market with around 35-36%.

Southern Region: The southern region consisting of the states of Tamil Nadu, Andhra Pradesh, Karnataka, Kerala, and Telangana, and is second largest region in the Indian diesel gensets market, owing to the presence of many industries such as IT/ITES, automobile, chemical and petrochemical, jewelry, textiles, cement etc. This region has seen a surge in demand for DG sets due to the rapid industrialization and infrastructural development. Also, the rentals segment has seen a significant growth in this region. The southern region caters to 28-30% of total DG market in India.

Western Region: The western region, which includes states like Maharashtra, MP, Goa, and Gujarat, also contributes significantly to the DG market growth. This region is known for its robust industrial sector, which includes manufacturing, pharmaceuticals, and IT/ITES industries. The demand for DG sets in this region is driven by the need for continuous power supply in these industries. Western region has a market share of around 19-20% of total DG market in India.

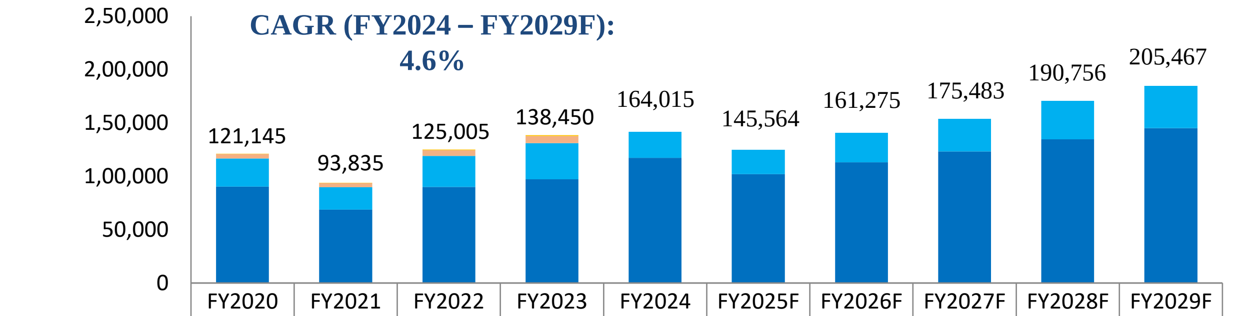
Eastern Region: The eastern region of India, which includes states like West Bengal, Bihar, Jharkhand, etc. has also seen growth in the DG market. This growth can be attributed to the increasing number of small and medium enterprises (SMEs) and the expansion of the telecom sector in this region. Eastern region has the least amount of market share as it contributes to 15-16% of the total industry.

Size of Indian DG set market and outlook

Exhibit 5.2 shows the historical and projected growth of the Indian Diesel Generator (DG) market. The growth is attributed to various factors including surge in data centre projects, telecom sector growth, infrastructure development, government projects such as Jal Jeevan Mission etc. The data centres require a continuous and reliable power supply to ensure uninterrupted data storage and processing. Major companies like Reliance and

Amazon Web Services (AWS) are investing heavily in data centres across India. The construction and operation of these centres necessitate the use of DG sets, thereby contributing to the growth of the DG market. Also, with the rapid expansion of telecom networks across the country, there is a growing need for DG sets to ensure uninterrupted network connectivity.

Exhibit 4.2: DG Set Market, India, Volume in Nos., FY2020 to FY2029F



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F
>1,500 KVA	315	328	512	844	1,026	1,077	1,163	1,257	1,357	1,466
500 - 1,500 kVA	4,246	3,791	5,252	6,603	8,001	7,761	8,692	9,562	10,326	11,049
82.5 – 400 kVA	26,122	21,023	29,282	33,836	37,730	34,712	38,183	41,237	44,536	47,654
Up to 75 kVA	90,462	68,693	89,959	97,167	1,17,258	1,02,014	1,13,236	1,23,427	1,34,536	1,45,299

Source: Frost & Sullivan quarterly DG set tracker reports

The above factors contributed to 18% growth in DG Set volume in FY2024. The market is however expected to decline by 11% in FY2025 as CPCB IV+ kicks in. Most of the end user communities such as project developers, data centers, telecom companies etc. have purchased their FY2025 requirements in FY2024 in anticipation to the increase in the DG set prices due to CPCB IV+ compliance. This also explains the steep growth in DG Set sales in FY2024 followed by a year of decline. The market, however, would continue to grow at 8 – 10% CAGR from FY2026 onwards.

4.2.2.2 Growth drivers and market restraints for Indian DG set market

Growth Drivers

Reliable and Uninterrupted Power Supply: Despite significant improvements in India's power infrastructure, power outages are still a common occurrence, especially in rural and semi-urban areas. These power outages can disrupt daily life, halt industrial production, and even lead to life-threatening situations in hospitals and healthcare facilities. Therefore, DG sets, which provide a reliable and continuous power supply, are an essential part of India's energy landscape.

Technological Upgrades: The DG set market is witnessing a shift towards more eco-friendly and energy-efficient models. Manufacturers are introducing generator sets with advanced technologies such as electronic fuel injection, which improves fuel efficiency, and noise-reducing enclosures, which make the generators more suitable for residential and commercial use.

Increasing Demand in Commercial and Residential Sectors: The rapid expansion of commercial and residential sectors is fueling the demand for DG sets. In the healthcare sector, generators are critical to avoid an irregular power supply, which could cause the death of people on life support. Moreover, the rising need for power backup at shopping malls, data centers, and other public spaces is driving the market.

Government Initiatives: The Government of India's initiatives to boost the manufacturing sector and improve power grid reliability are expected to propel the market. For instance, the government's push for the development of industrial parks and the telecom sector is expected to drive the demand for DG sets.

Market Restraints

Renewable Power Generation Trend: The growing trend of renewable power generation, particularly in industries that are targeting to reduce greenhouse gas emissions are expected to restrain the growth of the diesel generator market in India. This is further compounded by the rising cost of diesel and the advancements in renewable energy technologies.

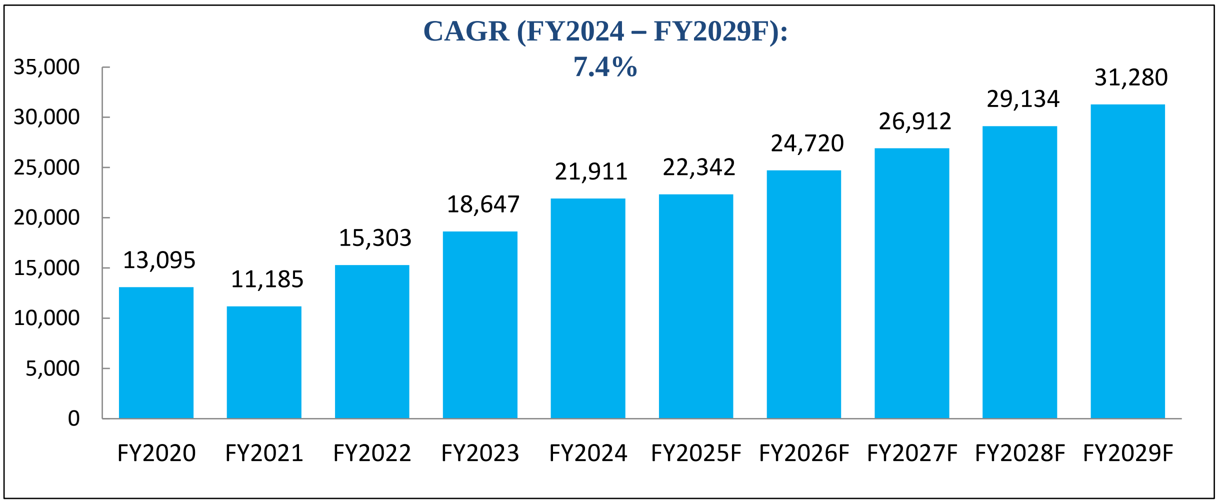
Size of Alternator market for DG Set application

Methodology adopted to derive the Alternator market size for DG Set application:

1. Estimating the DG Set sales by different KVA ranges (5-75 kVA, 82.5-400 kVA, 500-1,500 kVA, >1,500 kVA) in volume terms
2. Determining the total KVA sold in each range through estimating the median kVA value.
3. Estimating Alternator sales (in nos.) by factoring in 10% higher volume than DG Set sales
4. Arriving at average price of Alternator (INR / kVA) for different KVA ranges through discussions with the Alternator suppliers.
5. Average price (INR / kVA) X total kVA sold = Size of the Alternator market for DG Sets
6. The market size thus arrived has been validated through revenue of the Alternator suppliers.

Based on the above methodology, size of the Alternator market for DG Set application was INR 21,911 Mn in FY2024. The market is expected to grow at a CAGR of 7.4% between FY2024 and FY2029 to reach INR 31,280 Mn. The growth for FY2025 however would be muted at 2% due to DG Set market dynamics explained in the previous section.

Exhibit 4.3: Alternator Market for DG Set Applications, India, INR Mn, FY2020-FY2029F



Source: Frost & Sullivan analysis

Competitive landscape

The Alternator manufacturing industry for DG Set applications is highly organized in India – there are 4 key suppliers that account for nearly 100% of the market. These suppliers are Stamford (a group company of Cummins), Nidec Corporation, Crompton Greaves and Mecc Alte.

Stamford: Stamford is a leading global supplier of alternators and generator sets. They offer a range of reliable and high-quality products that meet the demands of the power generation industry.

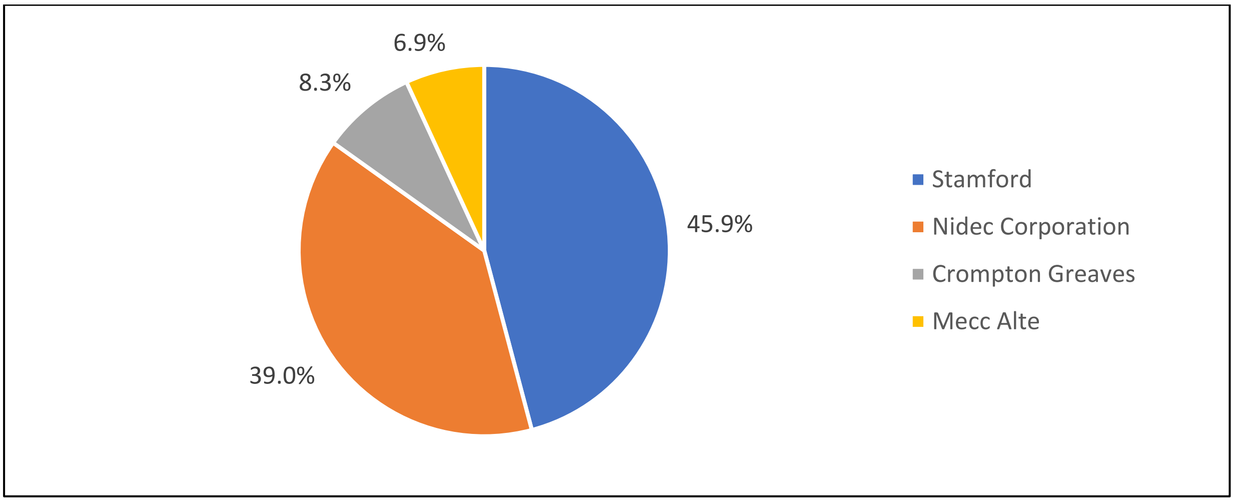
Nidec Corporation: Nidec Corporation is a Japanese manufacturer of electric motors. Their products are found in hard-disk drives, electric appliances, automobiles, power generation and commercial and manufacturing equipment. The company has a well-established presence in India.

Crompton Greaves: Crompton Greaves is a reputed Indian multinational company and a pioneer in the management and application of electrical energy. They manufacture and market a wide spectrum of products related to power generation, transmission, and distribution.

Mecc Alte: Mecc Alte is a corporation from Italy with more than 7 decades of experience in research and production of alternators with capacity from 5kVA to 5000kVA, covering almost all applications that need to generate electricity. They have manufacturing facilities in Italy, the UK, China, and India.

Stamford holds 46% share of the DG Set Alternator market in FY2024, followed by Nidec (39%), Crompton Greaves (8.3%) and Mecc Alte (6.9%).

Exhibit 4.4: DG Set Alternator Market split by Suppliers, India, in %, FY2024.



Source: Frost & Sullivan analysis

Alternator Market for Steam Turbine applications

Overview of Indian Steam Turbine Market

Another major application for Alternator is Steam Turbines. Steam Turbines find application across multiple industries such as Utility power plants (Coal and Nuclear), Captive power plants across multiple industries such as Steel, Cement, Sugar, Chemicals, Paper, etc. and Renewable energy power plants such as Waste to Energy, Waste Heat Recovery etc.

Capacity wise, Steam Turbines can be split into two capacity ranges – sub 100 MW Turbines, primarily used in Captive power plants and >100 MW turbines, which are used in Utility Power Plants. In Captive power segment, Steam Turbines up to 30 MW capacity account for 97% of the volume. On the Utility side, bulk of the demand is for >500 MW category – primarily 660 MW and 800 MW. In the Nuclear plants, 700 MW capacity Turbines are used.

Captive power segment has got a huge boost in the recent years, as the Indian Govt. has launched several policies to boost the domestic manufacturing sector. Indian manufacturing sector accounts for 17% of GDP in FY2023 and employs over 27.3 million workers. The Indian government plans to increase the share of manufacturing in the economy to 25% by 2025 through the implementation of various programs and policies. These include introduction of Goods and Services Tax, reduction in corporate tax, introduction of Production Linked Incentive (PLI) schemes for various sectors, interventions to improve ease of doing business, FDI policy reforms, measures for reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP), to name a few. The Indian government announced an outlay of INR 1,995 Bn for implementing PLI schemes for 14 key manufacturing sectors. With the announcement of PLI Schemes, significant creation of production, skills, employment, economic growth, and exports is expected over the next five years and more. This in turn would create demand for a significant number of Captive power plants in the country.

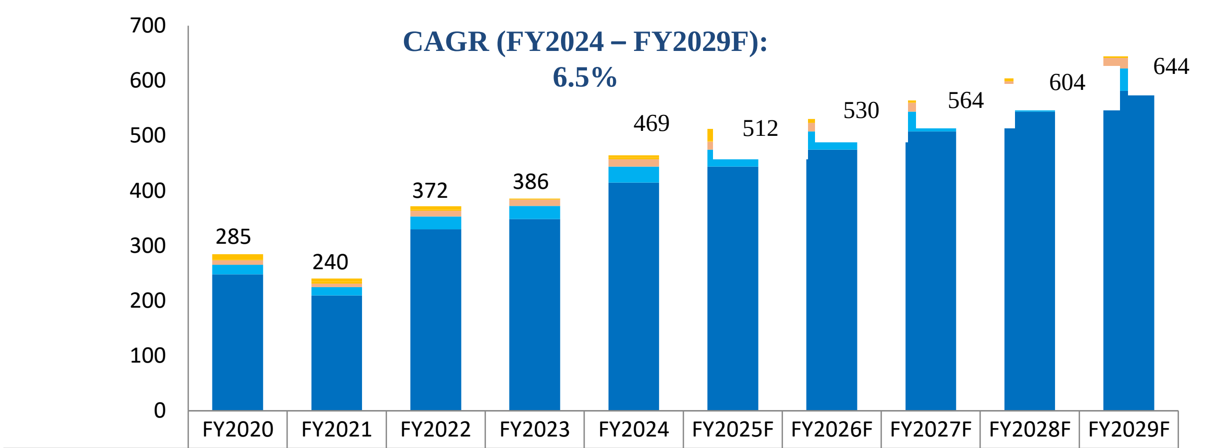
Size of Indian Steam Turbine Market

To Quantify, Sub-100 MW ST market is expected to grow at 7% CAGR between FY2024 and FY2029 – Volume-wise, from 457 Turbines in FY2024 to 641 Turbines in FY2029 and Capacity-wise, 1,244 MW to 1,745 MW.

The growth of the Utility market would however be dependent on project commissioning schedule. Thermal capacity additions would primarily be done through Coal and Lignite. As per 20th Electric Power Survey, the peak electricity demand in the country is expected to reach approx. 295 GW by FY2028 and 366 GW by FY2032. In order to meet this demand, Indian govt. has planned approx. 88 GW of thermal capacity additions till FY2032. Out of this, approx. 26 GW of thermal capacity is under construction, another 12 GW has been bid out and 19 GW is under clearance.

Besides, The Indian government has initiated steps to increase the country's nuclear power capacity from the current 7.5 GW to 22.5 GW by FY2032. At present 23 nuclear power reactors are operational in the country. Construction and commissioning of ten reactors totaling 8 GW is underway in the states of Gujarat, Rajasthan, Tamil Nadu, Haryana, Karnataka, and Madhya Pradesh. In addition, pre-project activities of ten more reactors have been initiated – these reactors will be commissioned by FY2032.

Exhibit 4.5: Steam Turbine Market, India, Volume in Nos. (Based on Commissioning), FY2020 to FY2029F

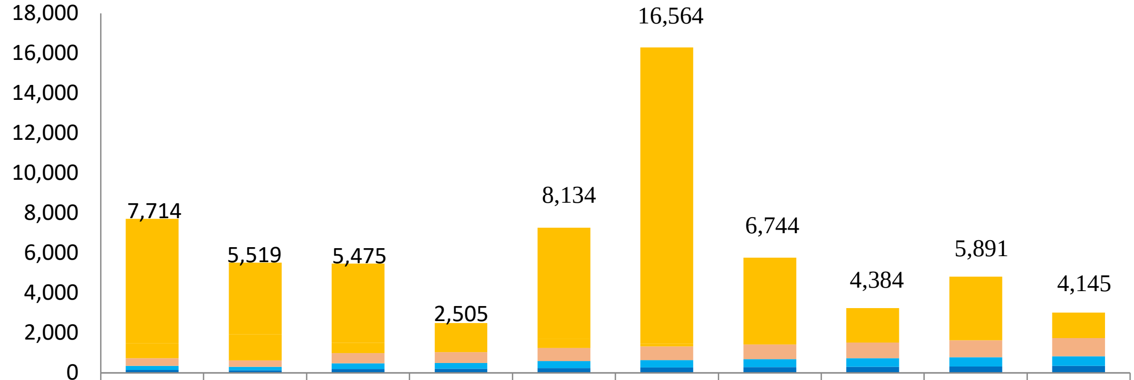


	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F
>500 MW	9	5	6	2	9	22	7	4	5	3
>100 - 500 MW	2	4	2	-	3	1	-	-	-	-
>30 - 100 MW	8	7	11	11	13	14	15	17	18	19
5 - 30 MW	17	15	23	24	29	31	33	36	38	41
<5 MW	248	210	330	348	415	444	475	508	544	582

Source: Triveni, CEA, Stakeholder Interactions, Frost & Sullivan analysis

The above chart shows a significantly higher no. of Utility Steam Turbines to be commissioned in FY2025 – 22 Turbines with cumulative capacity of 15.1 GW. In MW terms, Indian Steam Turbine market size in FY2024 is 8.1 GW (on commissioning basis). The market is expected to more than double in FY2025 to 16.5 GW before plateauing to 4 – 6 GW from FY2026 onwards.

Exhibit 4.6: Steam Turbine Market, India, Capacity in MW (Based on Commissioning), FY2020 to FY2029F



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F
>500 MW	6,220	3,580	3,965	1,460	6,440	15,100	5,320	2,860	4,260	2,400
>100 - 500 MW	750	1,310	520		450	133				
>30 - 100 MW	387	327	515	543	647	692	741	792	848	907
5 - 30 MW	208	176	277	293	348	373	399	427	457	489
<5 MW	149	126	198	209	249	266	285	305	326	349

Source: Triveni, CEA, Industry discussions, Frost & Sullivan analysis

Size of Alternator market for Steam Turbine application

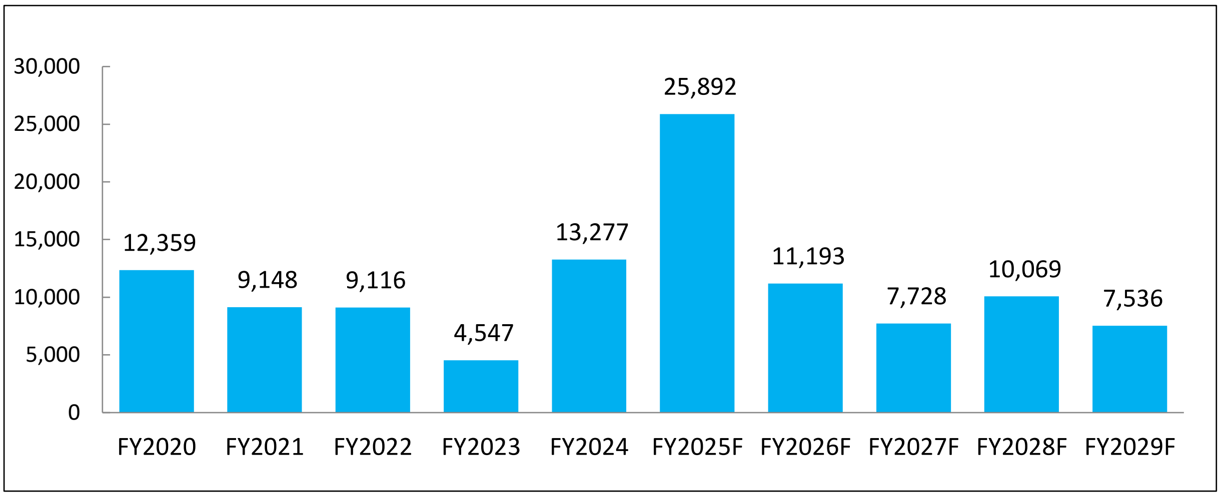
Methodology adopted to derive the Alternator market size for Steam Turbine application:

1. Estimating the Steam Turbine sales (On Commissioning basis) by different MW ranges (<5 MW, 5-30 MW, >30-100 MW, >100-500 MW, >500 MW) in volume and MW terms
2. Data source for the Captive power market is discussions with suppliers such as Triveni Turbines and data source for the Utility market is CEA database.
3. Arriving at average price of Alternator (INR / kW) for different MW ranges through discussions with the Alternator suppliers
4. Average price (INR / kW) X total kW sold = Size of the Alternator market for Steam Turbine application

Based on the above methodology, size of the Alternator market for Steam Turbine application was INR 12.4 Bn in FY2021 and INR 9.1 Bn in both FY2022 and FY2023, however, dropped to INR 4.5 Bn in FY2023 primarily due to missing deadlines for commissioning of several Utility turbines. The market however, bounced back to INR 13.3 Bn in FY2024 and expected to grow to INR 25.9 Bn in FY2025 before stabilizing between INR 7.5 Bn – 11 Bn range.

Coal based capacity additions in the Utility segment is expected to decline post 20230 once the country builds enough base load capacity to meet the projected peak demand. Further capacity additions would be done primarily through renewable sources such as Solar, Wind, Hydro, etc.

Exhibit 4.7: Alternator Market for Steam Turbine Applications, India, INR Mn, FY2020-FY2029F



Source: Frost & Sullivan analysis

Alternator Market for Hydro Turbine applications

Overview of Indian Hydro Turbine Market

Alternators also find applications in the Hydro Turbines that are used in Small Hydro Power (SHP) projects up to 25 MW capacity, Large Hydro projects of >25 MW capacity and Pumped Hydro Storage projects.

Hydroelectric power projects with aggregate capacity of 15 GW are under construction in the country. The hydro capacity is likely to increase from 42 GW to 67 GW by FY2032, marking an increase of more than half of present capacity. Moreover, given the ongoing energy transitions in the country, the development of Pumped Storage Projects (PSPs) assumes importance for providing greater inertia and balancing power to the grid. PSPs are also known as 'the Water Battery', which is an ideal complement to modern clean energy systems.

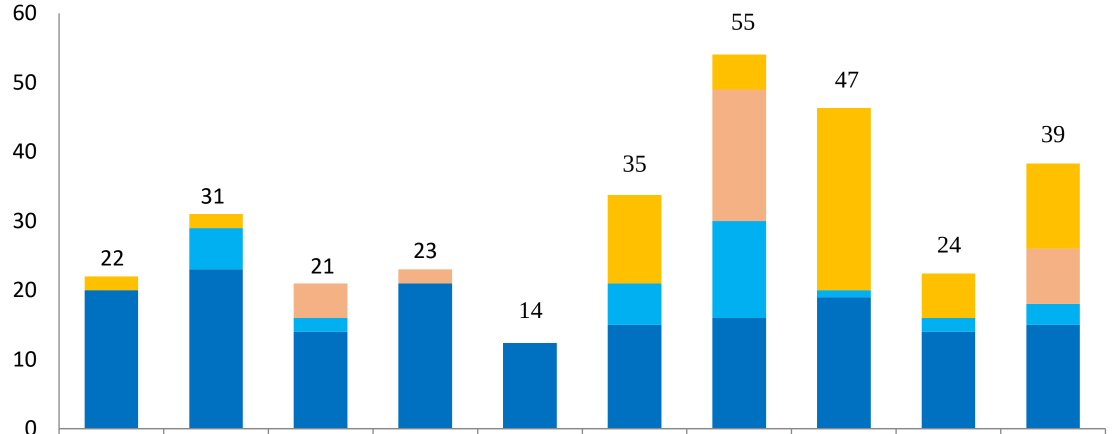
Currently, PSPs with aggregate capacity of 3.8 GW are under construction in the county and another 50 GW is under various stages of development. It is projected that PSP capacity shall increase from 4.7 GW to around 55 GW by FY2032.

Size of Indian Hydro Turbine Market

Volume wise (on commissioning basis), Indian Hydro Turbine market was 20 – 30 units between FY2020 and FY2023, however, fell to 14 Turbines in FY2024. The market however, poised for significant growth over the next three years with volume increasing to 35, 55, and 47 units in FY2025, FY2026, and FY2027.

Capacity (MW) wise, the market was usually below 500 MW till FY2024, however, expected to grow manifolds over the next 5 years. A total of 15.4 GW of Hydro Turbines are expected to commission between FY2025 and FY2029.

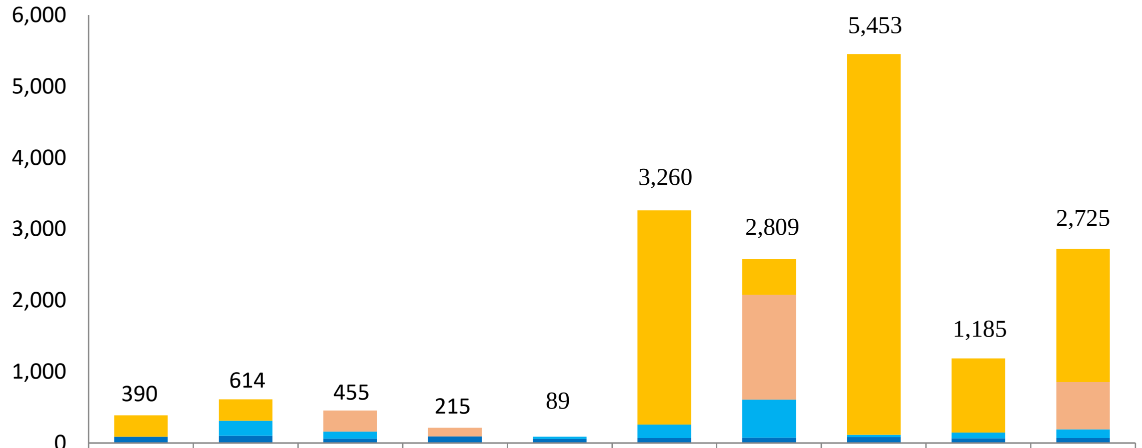
Exhibit 4.8: Hydro Turbine Market, India, Volume in Nos. (Based on Commissioning), FY2020 to FY2029F



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F
>100 MW	2	2	-	-	-	14	6	27	8	13
>50 - 100 MW	-	-	5	2	-	-	19	-	-	8
>25 - 50 MW	-	6	2	-	1	6	14	1	2	3
upto 25 MW	20	23	14	21	13	15	16	19	14	15

Source: CEA, Industry Discussions, Frost & Sullivan analysis

Exhibit 4.9: Hydro Turbine Market, India, Capacity in MW (Based on Commissioning), FY2020 to FY2029F



	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025F	FY2026F	FY2027F	FY2028F	FY2029F
>100 MW	300	300				3,000	730	5,338	1,040	1,870
>50 - 100 MW			293	120			1,470			665
>25 - 50 MW		210	100		30	190	534	30	80	120
upto 25 MW	90	104	62	95	59	70	75	85	65	70

Source: Frost & Sullivan Analysis

Size of Alternator market for Hydro Turbine application

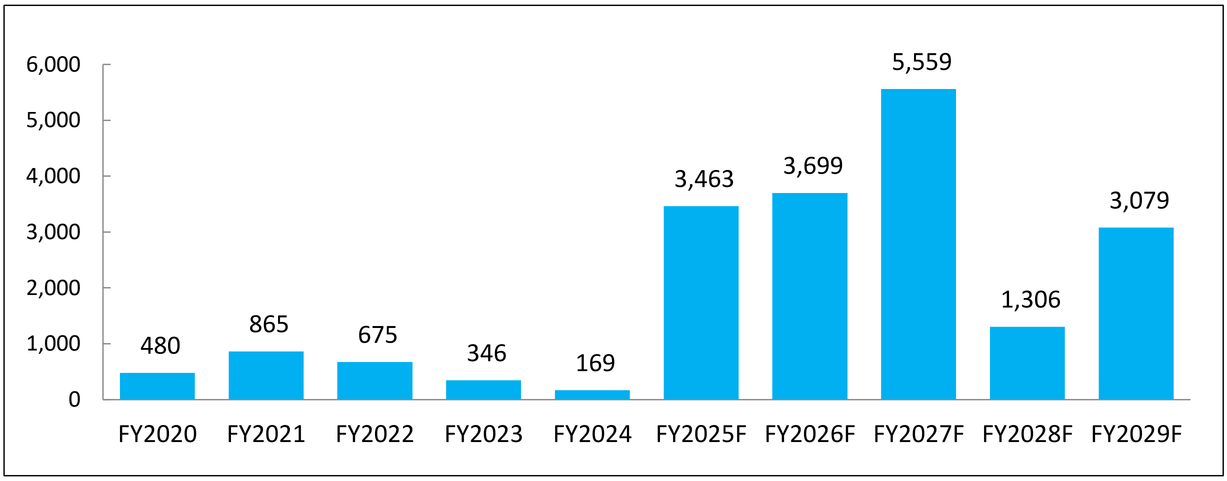
Methodology adopted to derive the Alternator market size for Hydro Turbine application:

1. Estimating the Hydro Turbine sales (On Commissioning basis) by different MW ranges (up to 25 MW, >25-50 MW, >50-100 MW, and >100 MW) in volume and MW terms

2. Various databases available in the public domain [Central Electricity Authority (CEA), Ministry of Power (MoP), Ministry of New and Renewable Energy (MNRE), etc.] have been triangulated to estimate the Commissioning volume and MW.
3. Arriving at average price of Alternator (INR / kW) for different MW ranges through discussions with the Alternator suppliers.
4. Average price (INR / kW) X total kW sold = Size of the Alternator market for Hydro Turbine application

Based on the above methodology, size of the Alternator market for Hydro Turbine application was only INR 169 Mn in FY2024. The market was at INR 865 Mn in FY2021 however, gradually declined to INR 675 Mn and INR 346 Mn in FY2022 and FY2023, respectively. The outlook however is bright for the next few years as the Indian Govt. is planning for aggressive capacity additions. The Alternator market for Hydro Turbine application is expected to grow to approx. INR 3.5 Bn in FY2025 and FY2026 and INR 5.6 Bn in FY2026.

Exhibit 4.10: Alternator Market for Hydro Turbine Applications, India, INR Mn, FY2020-FY2029F



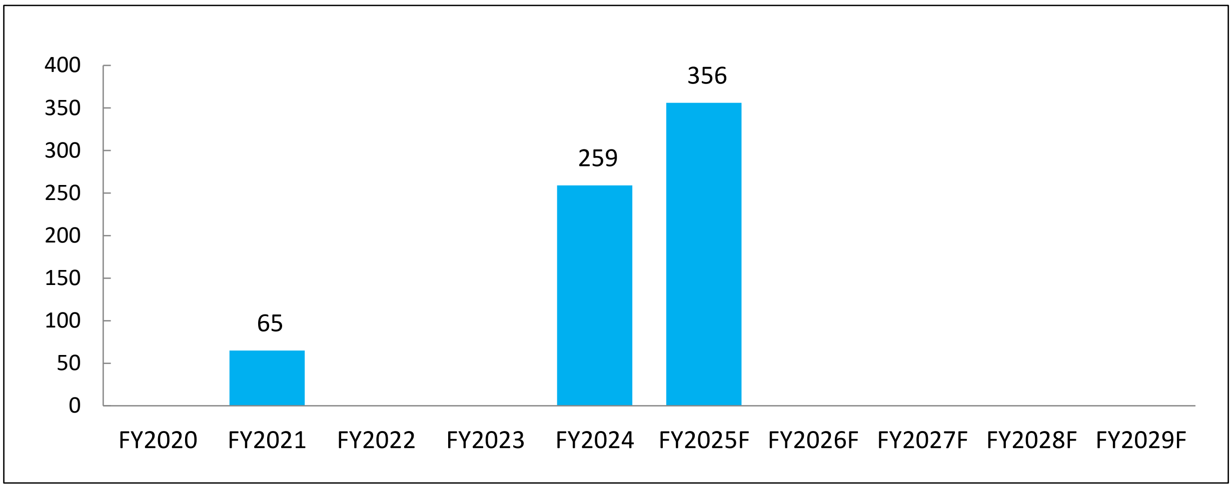
Source: CEA, Industry discussions, Frost & Sullivan analysis

Alternator Market for Gas Turbine applications

Size of Gas Turbine market has declined drastically in the last one decade or so, as the price of Natural gas has significantly increased in the global and Indian markets. India produced 35.7 BCM of Natural Gas in FY2024, however, the country's LNG import has consistently increased to 30.9 BCM in FY2024. As a result, weighted average price of Natural Gas almost doubled in the last 2-3 years and gas-based power generation has become financially non-viable. Indian Government changed the priority for domestic NG allocation to CGD segment and as a result, only 2 Gas based CCPPs commissioned in the last 5 years and one more is expected to happen in FY2025. A 36 MW Gas Turbine was commissioned in FY2021 in Namrup CCPP and 2 Gas Turbines of 72 MW each was commissioned in Kashipur CCPP in FY2024. A 237 MW Gas Turbine Gas Turbine has already been commissioned in Yelahanka CCPP, Karnataka in this fiscal year.

Accordingly, the size of the Alternator market for Gas Turbine application is insignificant and sporadic. The market size was INR 65 Mn in FY2021 and INR 259 Mn in FY2024. The market size for FY2025 would be INR 356 Mn.

Exhibit 4.11: Alternator Market for Gas Turbine Applications, India, INR Mn, FY2020-FY2029F



Source: Frost & Sullivan analysis

Alternator Market for Wind Turbine applications

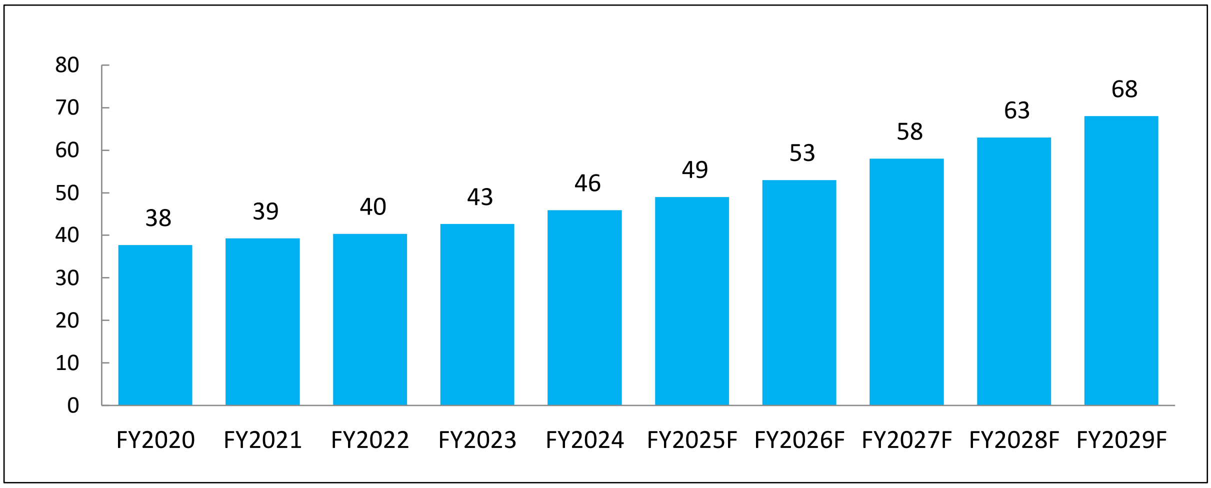
Overview of Indian Wind Power Market

India boasts a robust domestic wind power industry that has consistently driven sector expansion. This growth has fostered a strong ecosystem, honed project operation capabilities, and established a robust manufacturing base with a capacity of approximately 15,000 MW annually. As a testament to this success, India currently ranks fourth globally in terms of installed wind energy capacity.

The government actively promotes wind power projects nationwide by attracting private sector investment through various fiscal and financial incentives. Examples include accelerated depreciation benefits and concessional customs duty exemptions on specific wind turbine components. Notably, the Generation Based Incentive (GBI) Scheme was previously available for wind projects commissioned before March 31st, 2017.

After the initial success, the wind sector in India has not done well for the past 7-8 years with average annual capacity additions hovering around 1.5 GW. However, the Indian government in the last 1.5 years has taken multiple steps to improve the wind power scenario in the country including specific carve-outs for Wind RPOs, revamping the auction mechanism for Wind projects, and carving out 10 GW of exclusive tenders annually for the Wind projects. These projects are expected to drive at least 22 GW of wind capacity additions by FY2029.

Exhibit 4.12: Wind Power Installed Capacity, India, GW, FY2020-FY2029F

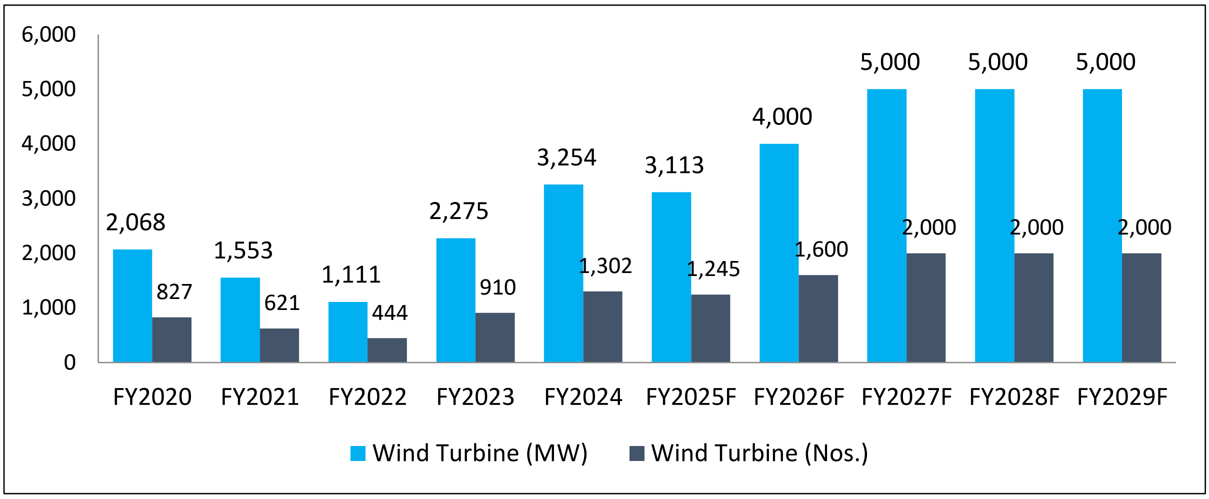


Source: MNRE, Frost & Sullivan analysis

Size of Indian Wind Turbine Market

Wind Turbine installation in the country has declined from 2,068 MW in FY2020 to 1,111 MW FY2022 however, increased to 2,275 MW in FY2022 and 3,254 in FY2023. Average capacity of Wind Turbine varies from 2 – 3 MW range. Volume wise, the market was 1,302 Turbines in FY2024. The market is expected to grow to 5,000 MW and 2,000 Turbines by FY2029.

Exhibit 4.13: Wind Turbine Market, India, MW and Nos., FY2020-FY2029F



Source: Frost & Sullivan analysis

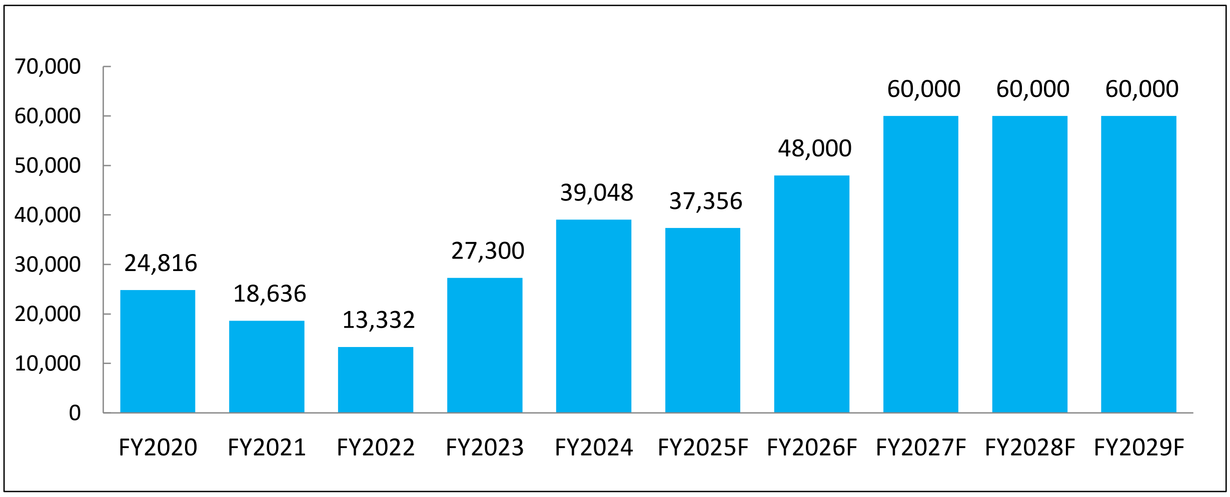
Size of Alternator market for Wind Turbine application

Methodology adopted to derive the Alternator market size for Hydro Turbine application:

1. Estimating the Hydro Turbine sales based on annual commissioning statistics furnished by CEA, and MNRE.
2. Arriving at average price of Alternator (INR / kW) through discussions with the Alternator suppliers.
3. Average price (INR / kW) X total kW sold = Size of the Alternator market for Wind Turbine application

Based on the above methodology, size of the Alternator market for Wind Turbine application was INR 24.8 Bn in FY2024 and the market is expected to grow to INR 60.0 Bn by FY2029.

Exhibit 4.14: Alternator Market for Wind Turbine Applications, India, INR Mn, FY2020-FY2029F

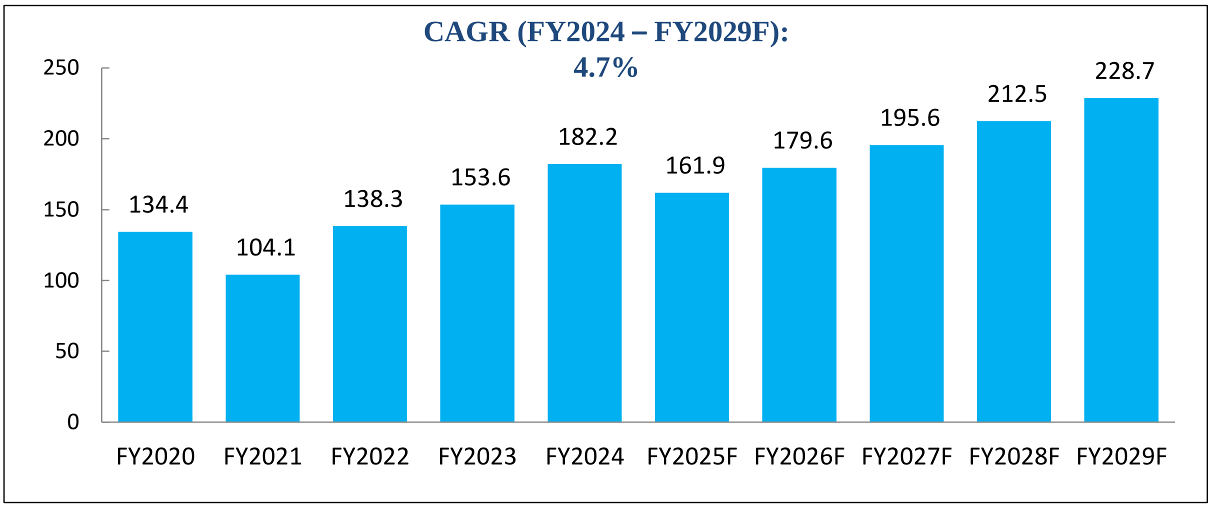


Source: Frost & Sullivan analysis

Overall Size of Indian Alternator Market

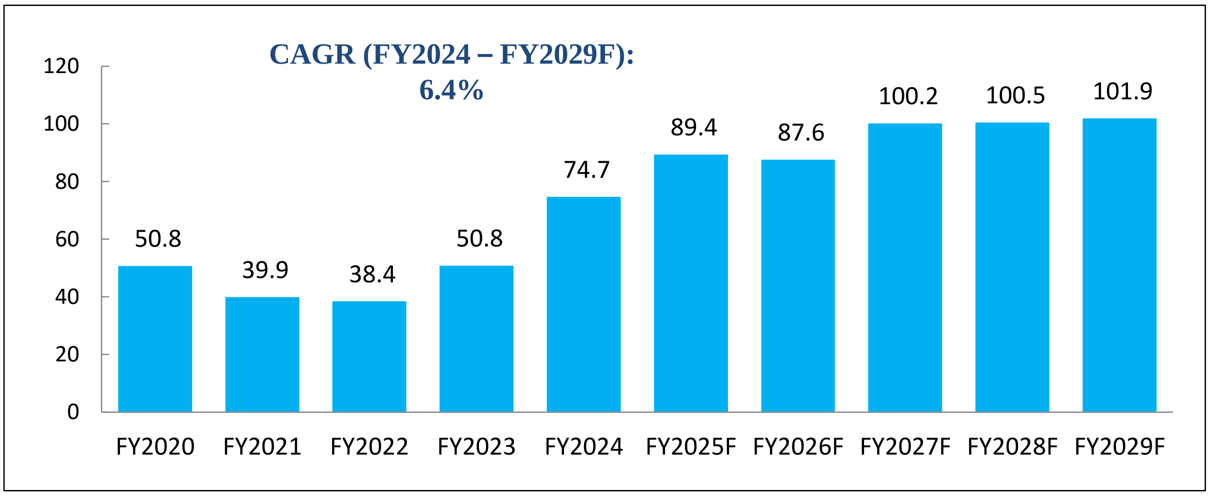
To summarize, overall size of Indian Alternator market in FY2024 was INR 74.7 Bn – the market is expected to grow at 6.4% CAGR to reach to INR 101.9 Bn by FY2029. Volume-wise, the market is expected to grow from approx. 182,000 units to 229,000 units by FY2029.

Exhibit 4.15: Alternators Market, India, Volume in '000 Nos., FY2020-FY2029F



Source: Frost & Sullivan analysis

Exhibit 4.16: Alternators Market, India, INR Bn, FY2020-FY2029F



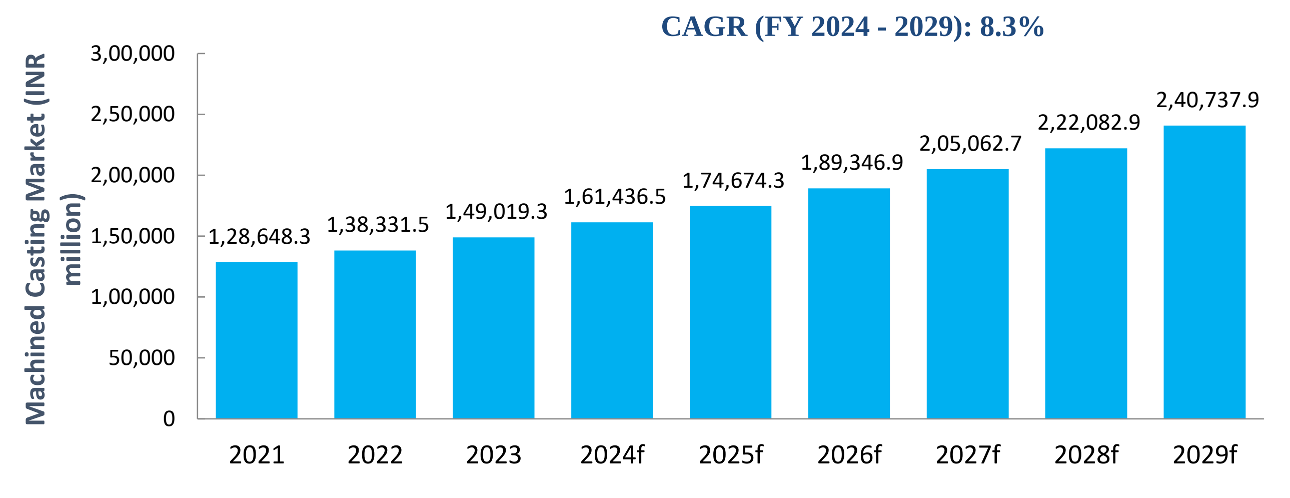
Source: Frost & Sullivan analysis

5.1 Overview of Overall Castings Market in India

India's total ferrous casting's market with weight range up to 3.5 MT is INR 4,65,826 million in FY 2023 out of which raw castings market size is INR 3,16,761 million and Machined Casting Market is valued at INR 1,49,019 million in FY 2023.There are more than 4500 foundries in India out of which 90% are classified as MSMEs. Around 1500 foundry units are having International Quality Accreditation and several large foundries are modern and globally competitive. Ferrous, machined castings primarily use grey cast iron, Ductile iron, and Steel. Indian Casting segment contributes 2.3% to the GDP and more than 20 Lakhs people are employed in this segment. It is the core industry producing cast metal components which serves as the basic raw materials for many sectors. India produced 14.16 million tonnes of Castings in FY 2023 and is the second largest castings producer globally after China. Indian castings majorly cater end use segments such as Off Highway Vehicles and Construction Equipment, Rail and Metro, Windmills, Automotive and Industrial etc. Casting market in India is fragmented into several clusters such as Batala, Jalandhar, Ludhiana, Agra, Pune, Kolhapur, Sholhapur, Rajkot, Mumbai, Belgaum, Coimbatore, Chennai, Shivamoga, Hyderabad, Howrah, Indore, Ahmedabad, Faridabad etc. Within the machined castings segment off highway vehicles and construction equipment contributes 36% of the demand, followed by industrial 29%, Rail and Metro 28% and Windmills 8%.

5.1.1 Market Size Estimates and Forecasts of Machined Castings in India

Exhibit 5.1 Machined Castings Market Size, India, 2021-2029F



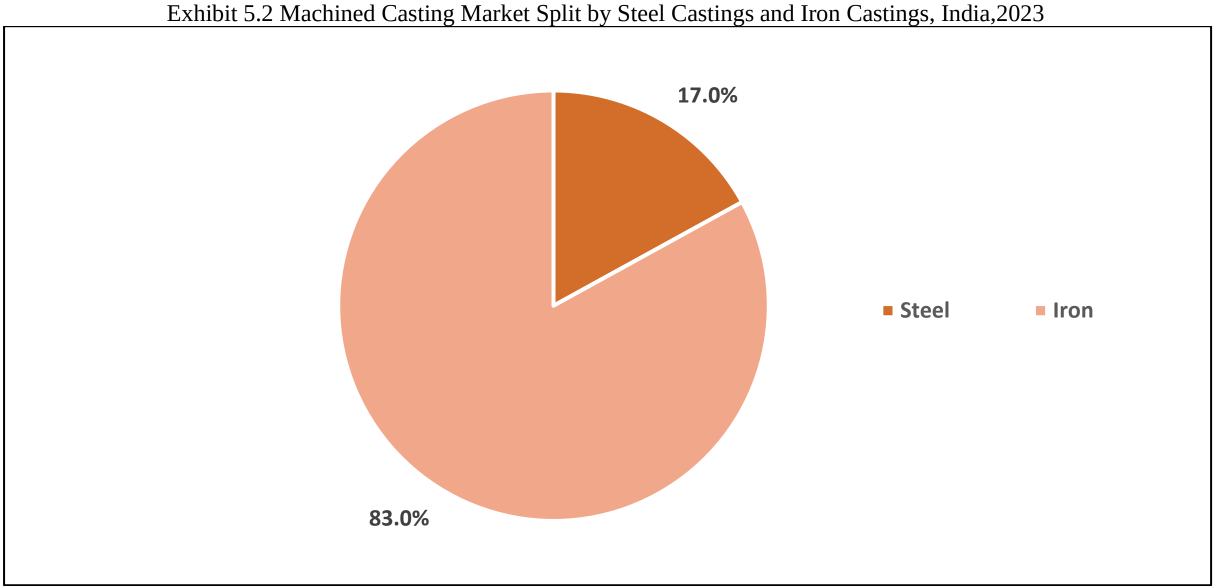
Source: Frost & Sullivan analysis and Industry Discussions

In FY 2023, the machined casting market was valued at INR 1,49,019 million, and it is projected to experience a compound annual growth rate (CAGR) of 8.3% over the forecast period, reaching INR 2,40,738 million by 2029.

Key drivers are growing demand in the Off Highway Vehicles and Construction Equipment, Rail and Metro, Windmills, Industrial and automotive Segments. Governments initiatives such as “Make in India” and “Atmanirbhar Bharat” will boost the manufacturing sector in India which will generate the need for more sophisticated, precise, dimensionally accurate and quality products for the various industries. This eventually creates a better opportunity for the growth of machined castings in India.

5.1.2 Machined Casting Market Split by Steel Castings (up to 2 MT) and Iron Castings (up to 3.5 MT)

Exhibit 5.2 Machined Casting Market Split by Steel Castings and Iron Castings, India,2023

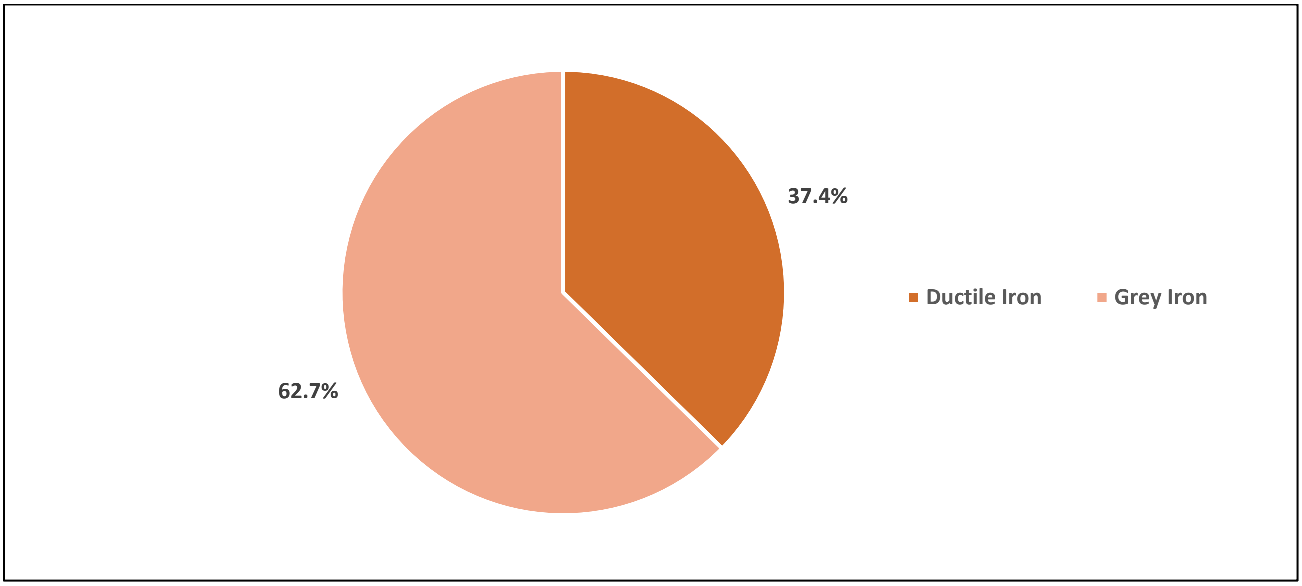


Source: Frost & Sullivan analysis and Industry Discussions

The Machined Casting Market in India is segmented by Steel Castings and Iron Castings. 83% of the total machined castings (INR 1,49,019 million) was produced from Iron as raw material in FY2023 and rest 17% from steel. A shift towards steel could be seen in coming years in the applications where high strength or shock resistance is required such as Railways, Construction, Defence. Steels physical properties allows the castings to be both strong and ductile and makes it extremely tough.

5.1.2.1 Iron Castings Split by Ductile and Grey Iron

Exhibit 5.3 Iron Castings Split by Ductile and Grey Iron, India,2023

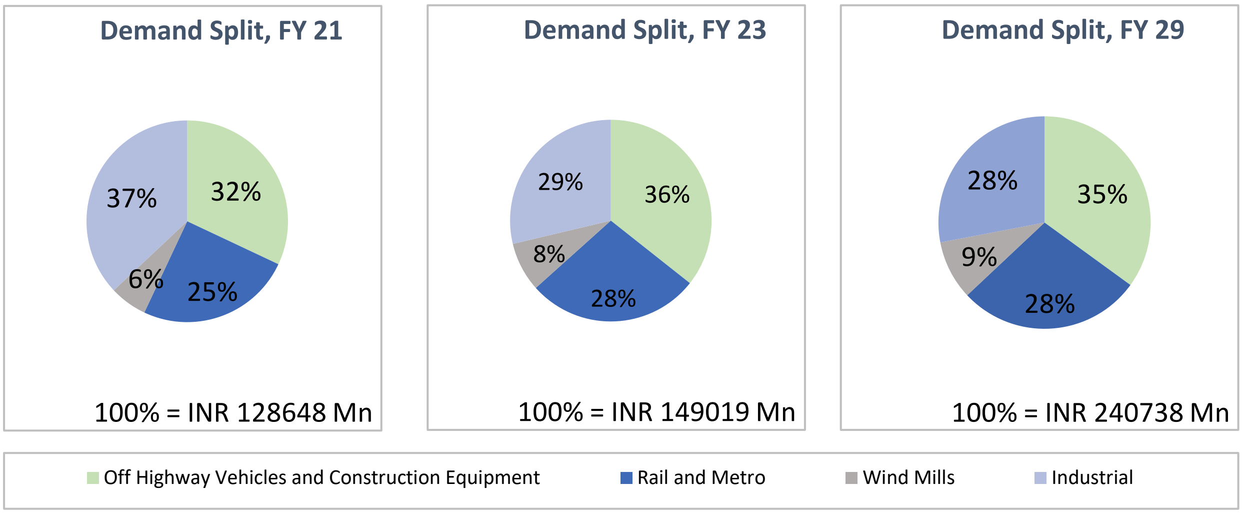


Source: Frost & Sullivan analysis and Industry Discussions

The total Iron Castings used for the manufacturing of machined castings is further splitted into Grey Iron and Ductile Iron. Grey Iron constitutes 62.7% of the total Iron castings used while Ductile Iron accounts for 37.4%. Use of Grey iron for the manufacturing of machined castings is estimated to grow with a CAGR of 7.9% from FY 2024 to FY 2029 while use of ductile iron for machined castings applications is estimated to grow with a CAGR of 8.3% during the same period.

5.2 Machined Casting Demand Split by End Use Industries

Exhibit 6.4: Machined Castings Split by End Use Industries



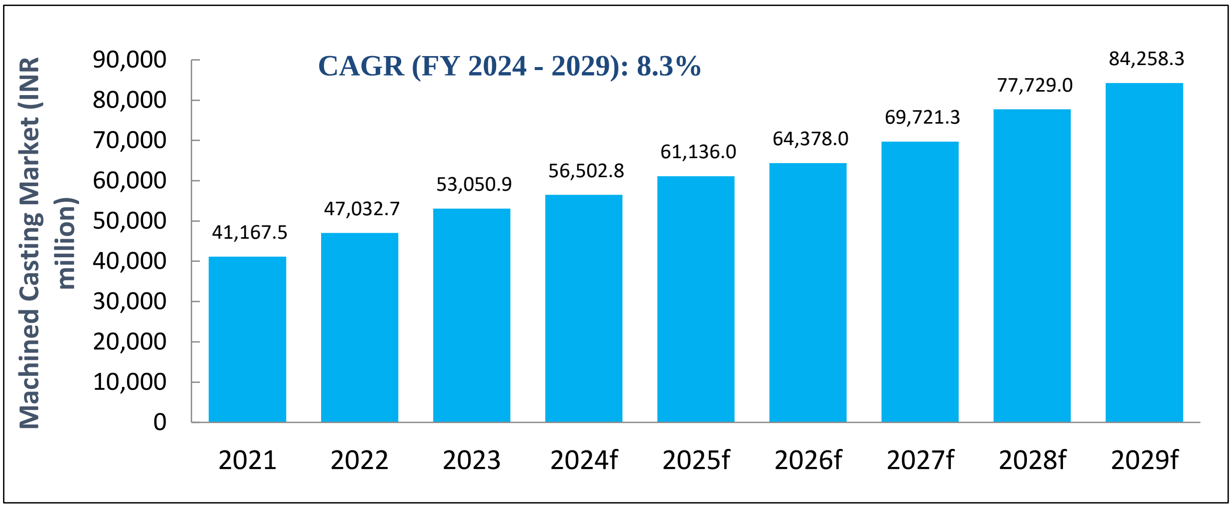
Source: Frost & Sullivan analysis and Industry Discussions

Year/CAGR Growth	Off Highway Vehicles and Construction Equipment	Rail and Metro	Windmills	Industrial
2021-2024	11.1%	7.9%	18.7%	2.8%
2024-2029	8.3%	10.8%	10.9%	5.5%

In FY 2023 the demand of machined casting is majorly distributed among key sectors such as off Highway vehicles and construction equipment, Rail and Metro, Windmills and Industrial. Off-Highway vehicles catered 36% of the total demand, Rail and Metro (28%), Windmills (8%) and Industrial (29%).

- **Off Highway Vehicles and Construction Equipment**

Exhibit 5.5 Machined Casting Market - Off Highway Vehicles and Construction Equipment segment, India



Source: Frost & Sullivan analysis and Industry Discussions

The off-highway vehicles segment is rapidly growing industry in India and is driven by construction equipment segment where in need for automation of the work is accelerating the growth of the off-highway vehicles. Such off-highway vehicles are in high demand for large scale construction projects. These off-highway vehicles consist of a lot of machined casted components which will experience a boost with the growth of off highway vehicles and construction equipment.

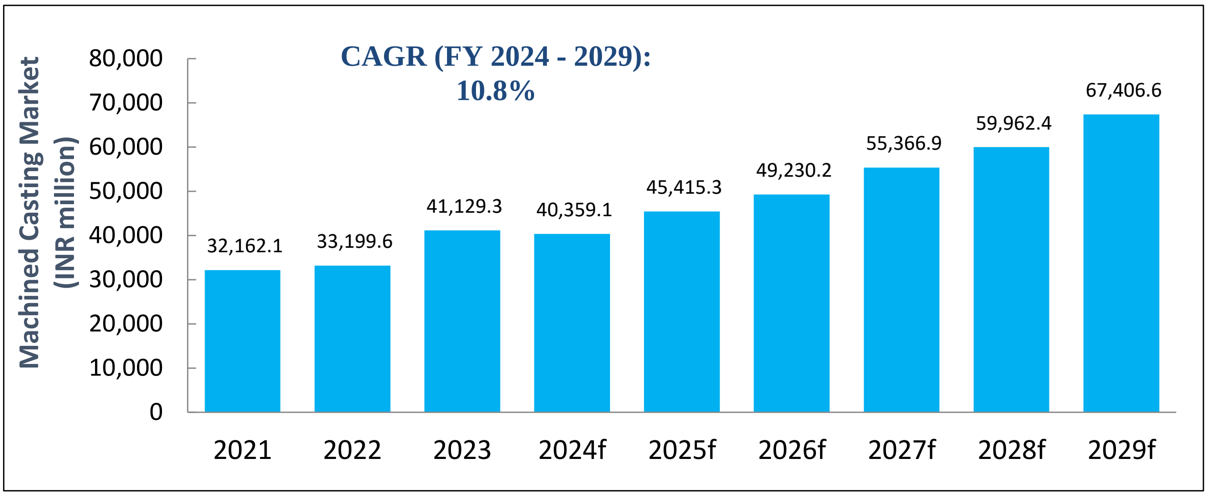
India is an Agro based economy and there is an extensive need for automation in the agriculture sector to increase the production to meet the needs of the growing population. Agriculture equipment consumes machined casted components for their operations. With the growth of automation in the off-highway equipment used in agricultural sector, growth of machined castings components such as counterweight, bracket, brake calliper, cover, port block, spider planetary cover, trumpet etc. will be experienced.

Use of off-highway vehicles such as material handling at ports is extensively used with the spur in the expansion of international trades over the years in India. Growth of material handling equipment will boost the growth of machined casted components.

Machined casting market for off-highway vehicles and Construction equipment was valued at INR 53,051 million in FY 2023 and is estimated to reach INR 84,258 million in FY 2029 with a CAGR of 8.3% from FY 2024-2029.

- **Rail and Metro**

Exhibit 5.6 Machined Casting Market - Rail and Metro segment, India, 2021-2029F



Source: Frost & Sullivan analysis and Industry Discussions

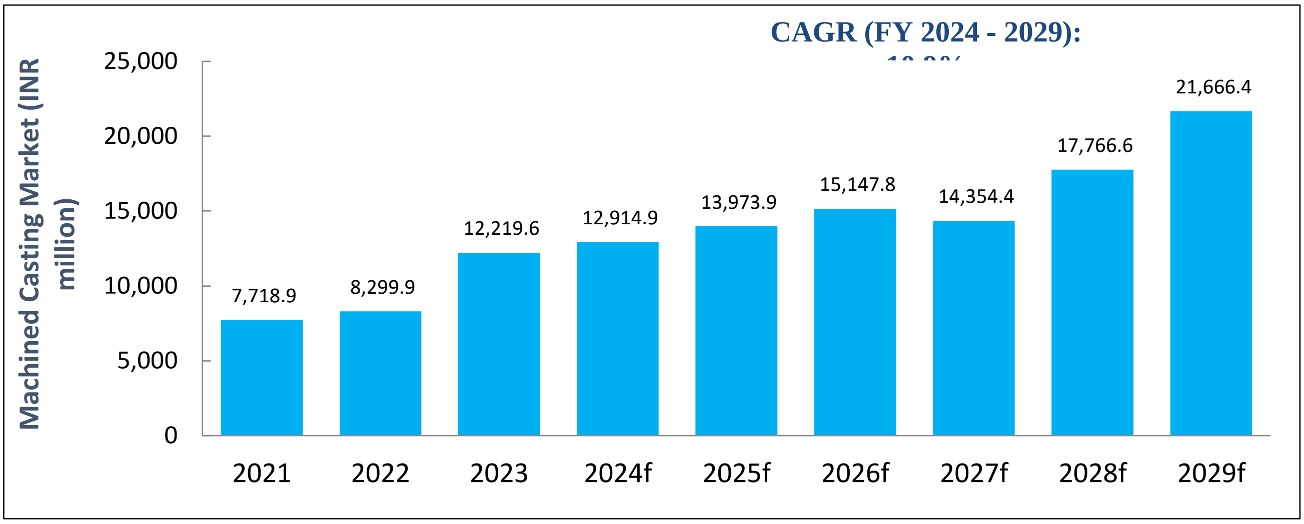
India has the fourth largest Railway System in the world behind only USA, Russia, and China. Railway sector aims to contribute about 1.5% of GDP by building infrastructure to support 45% of the modal freight share of the economy. India is focusing on high-speed rails to accelerate the wheels of economy. India is following the Mantra “Hungry for Cargo” Indian Railways has continuously strived to simplify business and improve service delivery at competitive rates, resulting in new traffic on the railways for both conventional and non-conventional goods streams. Rapid Urbanization and growing population need expansion of railway networks and addition of more passenger trains to meet the travel requirements. Trains consists of machined casted components for its operations such as Draft gear body, wedge cone, and other components such as ribbed plate, narrow jaw adapter and Axle end cap. Machined casted components segment will experience a surge in the demand with the growth of Railways segment.

Indian Metro rail is one of the fasted growing in the world. The development of India's metro rail sector is fundamentally changing the country's urban transportation system. Metro rail is easing traffic jams and enhancing air quality as well as improving liveability in communities. It is also stimulating the economy and producing jobs. The government's aim to build world-class infrastructure in India includes the metro rail networks as a crucial component. The metro rail segment is expected to continue growing in the upcoming years with sustained government backing and public demand. Metro rails consists of machined casted components to perform the intended functions. With the growth of Metro Rail, the machined casting segment will also experience a growth.

Machined casting market for Rail and Metro was valued at INR 41,129.4 Mn in FY 2023 and is estimated to reach INR 67,407 Mn in FY 2029 with a CAGR of 10.8% from FY 2024-2029

- **Windmills**

Exhibit 5.7 Machined Casting Market – Windmills segment, India, 2021-2029F



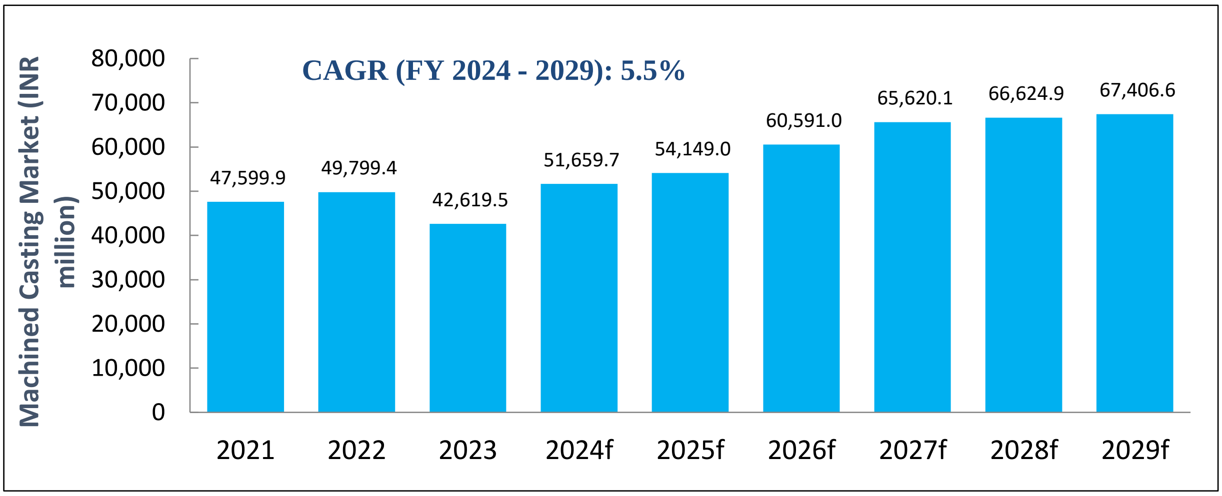
Source: Frost & Sullivan analysis and Industry Discussions

India is a hub for wind power generation with a current annual capacity of 10-12 GW. Due to the slowdown of the domestic market in recent years, this capacity has remained underutilized. This will change when an increase in supply volumes in the domestic market is expected. Total renewable energy installed in India stood at 121 GW of total installations with wind sector contributing 35% of this thereby making India the fourth largest wind market in the World in terms of cumulative installed capacity. India needs accelerated deployment and commissioning of wind projects if it is expected to achieve 140 GW of wind capacity by 2030 and to achieve the net zero targets by 2070[1]. Major drivers of wind segment growth in India are cost competitiveness of wind in the overall mix, Compliance of wind RPO targets by states and other obligated entities and dedicated grid infrastructure for integration. Demand for machined casted products such as Traverse top cast, Traverse bottom cast, front bracket structure, support bracket, cross, actuator housing etc. for windmills is expected to experience a boost.

Machined Casting market for windmills is valued at INR 12,219.6 Mn in FY 2023 and is expected to reach at INR 21,666 million in FY 2029 with a CAGR of 10.9% from FY 2024-2029.

- **Industrial**

Exhibit 5.8 Machined Casting Market – Industrial segment, India, 2021-2029F



Source: Frost & Sullivan analysis and Industry Discussions

1 GWEC India

Industrial sector comprises of segments such as Pumps, General Engineering, and Industrial machineries. Industrial pumps segment is estimated to grow in India which uses machined casted components and is driven by increased focus on energy efficient products in the water and wastewater industry, rapid urbanisation, rise in large-scale housing projects, and expansion of infrastructure projects.

Automation in the General Engineering sector and industrial machineries in the various industries such as food processing, machinery manufacturing segment will boost the growth of machined casted components segment.

Machined Casting market for Industrial is valued at INR 42,620 million in FY 2023 and is expected to reach at INR 67,407 million in FY 2029 with a CAGR of 5.5% from FY 2024-2029.

5.3 Competition Landscape of Machined Castings Market in India

The Indian Machined Castings market was valued at INR 1,49,019 million in FY 2023. Key companies in the market are Nelcast Limited, Sandfits Foundries Pvt Ltd, Texmaco Rail & Engineering Ltd, Prashant Castings, Peekay Steel, Steel Cast, Magna Electro Castings Limited, LMW Foundry, Simplex Castings Ltd, Vishal Foundry Pitti Engineering, etc. *[A scheme of amalgamation has been filed for amalgamating Pitti Castings Private Limited (PCPL) into and with the Pitti Engineering Limited (PEL) with an objective of vertically integrating PEL's supply chain. Castings business vertical of the Pitti group is undertaken by PCPL]*

5.4 Key Drivers and Challenges in the Indian Machined Casting Industry

Drivers

- Growth driver for the Indian foundry market is the growing government expenditure for expansion of infrastructure, which will generate a demand for castings products in various segments such as Wind Energy, Railways, Oil and Gas, Defense, Automotive, Aerospace etc.
- Renewable energy's share of electricity generation in India is projected to rise from 18% in 2019 to 50–70% by 2040 which will boost the demand for machined casted products in Renewable Energy Segment.
- India has set an enhanced target at the COP26 of 500 GW of non-fossil fuel-based energy by 2030 which will create demand for machined castings in wind segment.
- India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. India aims for 500 GW of renewable energy installed capacity by 2030. Growth in renewable segment will drive the growth of machined castings components in India.
- The Indian Government aims to nearly triple its total annual defense production to Rs 3 lakh crore by 2028-29 which will drive the growth of the machined casting components which finds use in various weapons.

Challenges

- **Raw Material:** The availability of quality raw materials with continued supply of raw materials such as iron, stainless steel, carbon steel, alloys of different metals needed for foundries to manufacture the casting products is a big challenge for the Indian Casting Industry. Additionally, price volatility of the raw materials function as a hindrance to seamless operation of the foundries and to be competitive in the market.
- **Competition from Imports:** Low-cost castings imported from China is another crucial challenge Indian castings industry is facing. China accounts for around 30% of the demand for large castings and around 40% of the large castings imported in India is from China. Availability of low-cost large castings from China prevents low and medium sized casting players to remain competitive in the market.
- **Environmental Rules and Regulations:** Stringent rules and regulations set by the Government to lower carbon emissions, necessitates casting players to upgrade themselves towards low emission technologies which requires huge capital investments leading to less profitability for them. Moreover, delays in approvals from the Government potentially increases the cost of the project increasing the additional financial burden on the manufacturers.

5.5 Key Competitors Profiles

5.5.1 Brief Profile of Pitti Engineering (Machined Castings)

Ownership	Privately Held	Company Overview
***Founded**	2008	• Pitti Engineering is a manufacturer of Electrical Steel Laminations, Motor Cores, Sub-Assemblies, Die Rotors and Press Tools and has also diversified into manufacturing of machined components. • Pitti Engineering serves sectors such as Rail and Metro, Off highway vehicles, Windmills, Power sector, Oil and Gas etc.
Headquarters	Hyderabad, India	
***Manufacturing Facilities**	1 Hyderabad	• Iron and steel castings are manufactured by Pitti Castings Private Limited and are thereby further machined at PEL. The Company relies on PCPL for the supply of castings. • Pitti Engineering has built competencies in their manufacturing process and can produce machined castings with inhouse facility which enables them to have streamlined production processes, shorter product development and delivery time, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.
***Capacity Castings (MTPA)**	14,400 as on FY 2023	
Total Revenue (INR Million)	FY 2023 11,179.8[2] Total Revenue from machined castings: 1,370.8[3]	• A scheme of amalgamation has been filed for amalgamating Pitti Castings Private Limited (PCPL) into and with the Pitti Engineering Limited with an objective of vertically integrating PEL's supply chain. **Market Position** • Pitti Engineering an export-oriented company, in relation to the machined components vertical, with ~70% of total revenue from machined castings business generated from exports in FY 2023. • Key countries of export were Mexico (56%), USA (42%) and Brazil (1%) and Kazakhstan (1%) in FY 2023. **Key Products** • Pedestral Gear Box, Cylinder, Canon tube, Gear Case, Axle Box, Centre Piot, Pump water shaft and armature shaft etc.

**Attributable to Pitti Castings Pvt. Ltd.*

Source: https://www.pitti.in, Frost & Sullivan primary research

5.5.2 Brief Profile of Nelcast Limited

Ownership	Public Listed	Company Overview
Founded	1982	• Nelcast Limited is the largest Jobbing Foundry in India for the manufacturing of Ductile & Grey Iron Castings.
Headquarters	Chennai	• Nelcast Limited serves sectors such as Railways, Mining, Construction, Automotive and General Engineering Sectors.
Manufacturing Facilities	3 Godur, Ponneri, and Pedapariya	• Nelcast is equipped with best tools in the industry such as MAGMASOFT, evaluation of the filling and solidification process of the Iron to ensure that castings are produced defect-free from the very first time. • Nelcast uses Medium Frequency Induction melting furnaces for optimal metal availability and power efficiency. The Company has installed multiple

[2] Pitti Engineering Annual Report FY 2023

[3] Pitti Engineering

Capacity (MTPA)	1,60,000 as on FY 2023	Inductotherm DUAL TRAK-R plus furnaces which utilizes the latest technology in its power & control system to apply melting power to one furnace and holding power to another furnace, simultaneously to ensure close to 100% utilization during the melting process.
Total Revenue (INR Million)	FY 2023 12,639.97[4]	• The Ponneri Plant is equipped with a Kuenkel Wagner DFM moulding line which utilizes Airpress plus 2,000 and multi-piston squeeze to produce moulds of perfect quality for even castings with extremely complex contours. **Key Products** • Base plate for ballast less track systems, brake discs, Front Engine support, differential housing, Transmission clutch housing, converter housing, planetary carrier, Axle housing.

Source: https://nelcast.com, Frost & Sullivan primary research

5.5.3 Brief Profile of Sandfits Foundries Pvt Ltd

Ownership	Privately Held	Company Overview
Founded	1962	• Sandfits Foundries Pvt Ltd is one of the leading manufacturers of all grades of Grey and Ductile iron castings.
Headquarters	Coimbatore, Tamil Nadu	• Sandfits serves sectors such as Earth Moving Equipment, Automotive, Windmills, General Engineering. • Plant has the capability to produce castings in the weight range of 3kgs to 4000 kgs.
Manufacturing Facilities	2 Coimbatore	• Plant is equipped with automatic sand plant and resin sand plant, automatic sand cooler from Kungel Wagner, Moulding facilities, induction furnaces from Inductotherm.
Capacity (MTPA)	36,000 as on FY 2023	**Key Products** • Housing, Bearing cap, Planet Carrier, Retainer, Differential case, Front Engine Support, Front Linkage support, Axle pin, housings, drive end bracket etc.
Total Revenue (INR Million)	FY 2023 4,548.3[5]	

Source : https://www.sandfitsfoundries.com, Frost & Sullivan primary research

5.5.4 Brief Profile of Texmaco Rail & Engineering Ltd

Ownership	Public Listed	Company Overview
Founded	1939	• Texmaco Rail & Engineering Ltd has the largest steel foundry in the country.
Headquarters	Kolkata	• It has a State-of-the-Art facility set up by the world-renowned M/s. Kunkel Wagner, Germany.
Manufacturing Facilities	2 Steel Foundry Chhattisgarh	• Foundry has earned the distinction of Quality Assurance Certificate (M-1003) from AAR (Association of American Railroads), making it the only Foundry in India qualified to export railway castings to the North American Market. • Company has the Only steel foundry in the country to use High Pressure Moulding Lines (HPML) for heavy weight railway bogie castings.

[4] Nelcast Ltd annual report FY 2023

[5] ICRA Report

Capacity (MTPA)	42,000 as on FY 2023	• Company holds license for ASF-Keystone, U.S.A for manufacturing of Ride Control Bogies • Company has inhouse capability to produce machined side frame castings. • Company has inhouse capability for manufacturing of latest Weldable CMS crossing for railway. • Company has in-house design capability with SOLIDWORKS 3D modelling and Flow & Thermal simulation, Moulding and core making facilities with fully automated Kunkel Wagner High Pressure green sand moulding, automated sand plant, No Bake moulding system with Fast Loop Line, automated Lampe Cold Box core machine, Melting facility with Electric Arc & Induction furnaces , wide range of machining facilities and the complete in-house quality control capability with spectrometry, Radiography, MPI, Metallography, mechanical laboratory and various other NDT testing and gauging facilities. **Key Products** • Castings for railway bogie, CMS crossings, side frames etc.
Total Revenue (INR Million)	FY 2023 22,696.5[6] Total Domestic Revenue from machined castings: 4,000[6]	

Source: https://www.texmaco.in, Frost & Sullivan primary research

6.1 Electrical Lamination Market Overview in India

The Electrical Lamination Market in India is set to grow driven by favorable government policies, development of electric vehicles, growing demand from the power sector and significant rise in development of infrastructure will lead to increase in demand for electrical laminations for motors and generators.

Government’s strategic short term and long term targets under the Panchamrit Action plan such as reaching a non-fossil-fuel energy capacity of 500 GW by 2030, fulfilling at least half of the country's energy requirements through renewable energy by 2030, reducing CO2 emissions by 1 billion tons by 2030,reducing carbon intensity below 45% by 2030 and ultimately achieving a net zero emissions target by 2070[7] will create the need for more electrification and drive the consumption of motors, generators and transformers. Eventually the demand for electrical lamination is expected to grow with a positive outlook.

Growth of Electric vehicle sector is creating opportunities for EV traction motor laminations. Presently India depends heavily on imports for EV components on China and Europe with longer lead times, high costs and supply chain disruptions. There is a great opportunity lying for localization of manufacturing of EV related components supported by Government’s Make in India initiatives.

With the advent of high-speed trains such as Vande Bharat, need for highly efficient motors is crucial which will also boost the demand for electrical laminations.

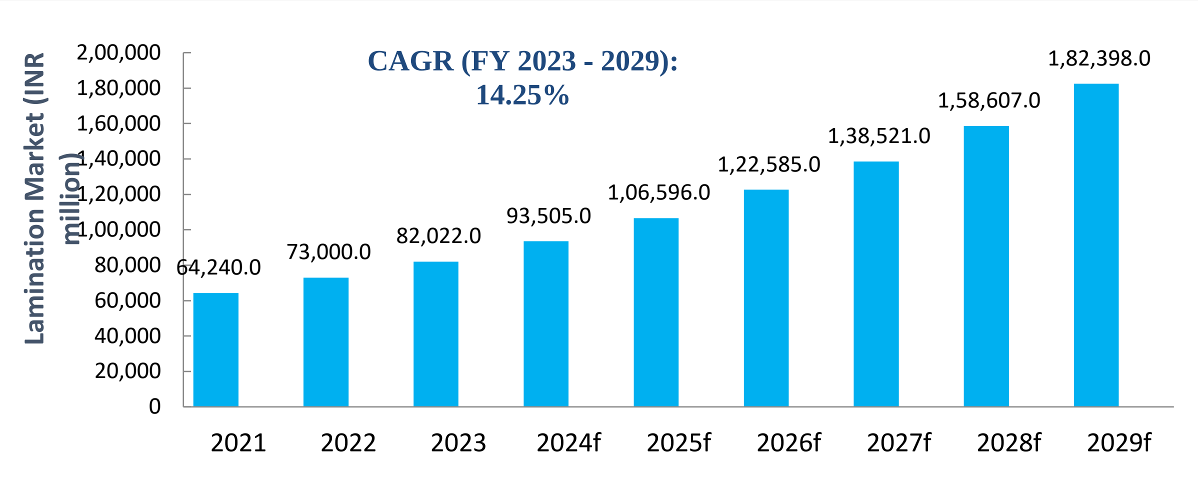
Presently electrical lamination market in India is valued at INR 82,022 million in FY 2023 contributed by numerous manufacturers involved in catering the local demand.

[6] Annual Report FY2023

[7] Ministry of Science and Technology, Government of India

6.1.1 Market Size Estimates and Forecasts for Lamination Market in India

Exhibit 6.1 Lamination Market Size, India (INR Mn), 2021-2029F



Source: Frost & Sullivan Analysis and industry discussions

In 2023, the lamination market was valued at INR 82,022 million, and it is projected to experience a compound annual growth rate (CAGR) of 14.25% over the forecast period, reaching INR 1,84,963 million by 2029.

Increase in demand for electric vehicles and hybrid electric vehicles (HEVs) in India aligned to reduce the CO2 emissions and are primarily utilized in high-speed electric motors and high frequency transformers. Electrical Laminations are employed in traction motor of HEVs.

With the rapid growth of population and need for infrastructural development, Government is expanding railway network and Metros to compensate the passenger traffic. There arise need for more trains and metros with highly efficient motors.

The need for sophisticated and dependable motors is anticipated to climb as the nation continues to stress innovation and efficiency in the adoption of new technologies, playing a critical part in India's industrial and economic progress. This eventually will boost the growth of electrical laminations market in India.

Government's initiatives such as "Make in India" and "Atmanirbhar Bharat" aims to boost indigenous manufacturing, with particular emphasis on the electronics and automotive industries. These programs promote the development and use of cutting-edge motors and associated technology which will act as a driving force for growth of lamination market in India.

The growth of electrical lamination market in India is promising with the positive outlook. From FY 2021-23 the lamination market witnessed a growth of 13.0% and is expected to grow with a CAGR of 14.25% from FY 2023-2029.

6.1.2 Competition Landscape of Lamination Market in India

Key companies in the market are Pitti Engineering, Gupta Machine tools Pvt Ltd, Tempel Steel, Kumar Precision Stampings Pvt Ltd, Pearl Group, Magcore Laminations India Pvt Ltd, Venus Stampings Pvt Ltd, Kapson Industries Pvt Ltd, Pressmatic Engineers Pvt Ltd, PRG International Electricals Pvt Ltd, Jaycee Punching Solutions Pvt Ltd, Silicon Cortech etc.

Exhibit 6.2 Competition Market Analysis of India's Lamination Manufacturers, FY2023

Company Name	Country	Total Revenue (INR Million), FY 2023
Pitti Engineering#	India	8,650.2
Gupta Machine tools	India	6,332.9

Tempel Steel	India	4,547.0
Kumar Precision Stampings Pvt Ltd	India	3,948.8
PEC Ventures Pvt. Ltd.	India	4,640.0
Magcore Laminations India Pvt Ltd	India	3,324.7
Venus Stampings Pvt Ltd	India	2,340.0
Kapson Industries Pvt Ltd	India	3,469.1
Pressmatic Engineers Pvt Ltd	India	2,474.1
PRG International Electricals Pvt Ltd	India	3,138.7
Jaycee Punching Solutions Pvt Ltd	India	4,089.4
Silicon Cortec	India	1,481.2
Others*	India	12,120.0
Imports	India	35,000.0
Total		**95,556.1**

Others includes Kailash laminations, Godrej Lawkim, Parvathi Shankar Engineering Pvt Ltd, Magnesco Electrical Stamping Pvt Ltd, Mirless Metal Components Pvt Ltd, Deesan Core Laminations Pvt Ltd, Rajamagnetics, Galaxy Stampings, Kapil Corepack, Karad, Aesthetic Stampings, Pooja Metal, Mehra Metal, Tirmurthy Stampings, AB Stampings, Pogen Amp, Auric Engineering, HI-Tech etc.*
 # Denotes only revenue from lamination vertical which is part of the Rotating Electrical Equipment vertical
Source: Tofler Balanced Sheet Report, Annual Reports, Industry Reports and Frost & Sullivan Primary Research

Key countries from where India imports electrical laminations are China (60-70%), Japan (5-10%), Germany (4%) and Rest of the world (16%). Key lamination exporters from China are Long back, Lammotor, Centersky etc.

Disclosure on the import Restrictions

China recently revised its catalogue of technologies prohibited or restricted from export. While the manufacturing tools that Pitti Engineering currently procure from China are not subject to such restrictions, there can be no assurance that they will not be restricted in the future In the event the catalogue is revised further to include the technologies and tools Pitti Engineering use in their operations and procure from China, Pitti Engineering may be unable to successfully source these technologies and tools from alternate vendors at comparable prices or with comparable performance capabilities, which could ultimately impact their capital cost and adversely impact their profitability.

Additionally, most of the machinery used in Pitti Engineering's machined components vertical are also subject to export control in the countries of origin. Import of machines from Japan requires approval from its Ministry of Economy, Trade, and Industry and from Germany requires the approval from its Federal Office for Economic Affairs and Export Control. Approval granted by such regulatory authorities are typically subject to compliance of certain conditions inter-alia intended installation location of such machines, and end use restrictions of such machines. Any non-adherence of these conditions or breach of such restrictions may render Pitti Engineering's machines inoperable, resulting in material adverse impact on our production capacity, business, operations, and financial condition. Germany, for instance, as part of the European Union, follows regulations concerning "dual use" goods, which are goods and technologies that can have both civilian and military applications. Export of dual-use goods is controlled to prevent their use in weapons of mass destruction or military applications. Exporters from Germany are thereby required to ensure that their exports are not used for purposes that could threaten regional or international stability, violate human rights, or contribute to the proliferation of weapons of mass destruction."

6.2 Key Competitors Profiles

6.2.1 Brief Profile of Pitti Engineering

Ownership	Public Listed	Company Overview
Founded	1983	• Pitti Engineering is a manufacturer of Electrical Steel Laminations, Motor Cores, Sub-Assemblies, Die Rotors and Press Tools • Pitti Engineering Limited gained a competitive advantage over its peers since most of its tooling and processes are developed in-house and it has achieved cost-effectiveness and efficiency through economies of scale, automation, and efficient supply chain management. • Pitti Engineering Limited produces high value-added assemblies by integrating stator and rotor laminations with child parts consisting of end laminations, duct laminations, end castings, clamping plates, copper bars/plates, etc., and locking them through processes such as welding, cleating, fastening and die castings. Most of its competitors haven't achieved this level of vertical integration and it therefore faces sporadic competition at this level. • Frame and shaft integrated assemblies are produced by integrating the high value assemblies with casted, fabricated, and machined frames in case of stators and fully integrated ready to use rotors with the shaft in case of the rotors. Making these assemblies involves advanced manufacturing processes, precision engineering, incorporation of specialized components or technologies. None of its peers have managed to produce such assemblies. **Market Position** • Pitti Engineering is the market leader in lamination vertical, which is part of the rotating electrical equipment vertical, based on revenue for the sub-vertical for FY23. **Key Products** **Rotating Electrical Equipment** • Loose Laminations, Stator glued laminations, Pole lamination, RTU Rotors, Copper build up rotor, Stator Core, assembled stator core, RTU Stator, assembled core (Fan core), assembled core (magneto pack). • Under the rotating electrical equipment vertical, Pitti Engineering have the capability to manufacture laminations ranging up to 1300 mm diameter in size, stator assemblies of up to 1800 mm height weighing a maximum of 10 tons.
Headquarters	Hyderabad, India	
Manufacturing Facilities	4 (India) Telangana and Maharashtra	
Capacity (MTPA)	56,000 as on 31st December 2023	
Total Revenue (INR Million)	FY 2023 1,11,79.8[8] Revenue from Laminations: 8,650.2[9] Lamination business is a part of Rotating electrical equipment vertical of Pitti Engineering.	

Source: https://www.pitti.in, Frost & Sullivan primary research

6.2.2 Brief Profile of Gupta Machine Tools Private Limited

Ownership	Privately Held	Company Overview
Founded	1971	• Gupta Machine Tools is a private listed company with various divisions and mainly focuses on the Stampings division under the name of Precision Stampings.
Headquarters	Faridabad, Haryana (India)	

[8] Pitti Engineering Annual Report 2023

[9] Denotes only revenue from lamination vertical which is part of the Rotating Electrical Equipment vertical.

Manufacturing Facilities	4 (India) Haryana and Maharashtra	• Company is integrated with inhouse press tool design and manufacturing facilities providing and extra edge over peers. • Company manufactures more than 1500 types of stampings and laminations and have wide presence in various segments of the industry and manufactures critical components for OEMs for Electrical Stampings, Die Cast Rotors, Welded/cleated and riveted stators.
Capacity (MTPA)	NA	• Company specializes in standard and custom-made stampings to exact specifications and possess the capability to produce stampings with Notching, Single Blow Punching, High Speed Progressive Punching with Auto Stacking, Auto Skewing, and auto Rotation with the latest technologies.
Total Revenue (INR Million)	FY 2023 6,332.9[10]	• Company is focused on expanding business in Indian and European geographies and exports laminations to customers present in 5 continents. **Key Products** • Custom made stampings and laminations for all kinds of AC & DC Motors using fully processed CRNGO steel and semi-processed and heat-treated steel. • Auto in-die stacking for stators and rotors with skewing, multiple bores and auto rotation. • Large laminations for Windmill Generator applications. • Laser cut laminations for prototypes. • Pressed board insulating laminations

Source: https://guptamachinetools.com, Frost & Sullivan

6.2.3 Brief Profile of Tempel Precision Metal Products India Pvt Ltd

Ownership	Privately Held	Company Overview
Founded	2006	• Tempel Precision Metal Products India Pvt Ltd is a part of Worthington Steel Company and was acquired in the year 2021.
Headquarters	Chennai (India),	• Tempel is a leading manufacturer of high precision magnetic steel laminations for the motors, transformers, and generators.
Manufacturing Facilities	1 (India) Chennai	• Tempel Precision Metal Products India Pvt Ltd serves sectors such as automotive, industrial, power sectors. • Tempel Precision Metal Products India Pvt Ltd has the capability to precision manufacturing, material sourcing, metallurgical analysis, engineering, prototyping, product design, tooling, and value-added capabilities such as core building, shaft insertion and ready to use rotors.
Capacity (MTPA)	24,000 as on FY 2023	• Tempel Precision Metal Products India Pvt Ltd Produces Miter cut lamination for transformer industry.
Total Revenue (INR Million)	FY 2023 4,547[11]	• Tempel Precision Metal Products India Pvt Ltd has high speed progressive presses, notching presses, blanking and coil line, hydraulic presses for core building, slitter and special purpose machines including vertical turret lathe, stress relieving machine, shaft insertion press, induction brazing and spot welding. **Key Products** • Laminations for industrial motors, elevator mmotors, traction motors, wind generators, industrial motors, motors for white goods, alternators.

Source: www.tempel.com, Frost & Sullivan primary research

[10] Tofler Balanced Sheet Report as on FY2023
[11] Tofler Balanced Sheet Report as on FY2023

6.2.4 Brief Profile of Kumar Precision Stampings Pvt Ltd

Ownership	Privately Held	Company Overview
Founded	1979	• Kumar Stampings was established in 1979 and specializes in manufacturing of precision electrical laminations and stampings.
Headquarters	Jhajjar Haryana, India	• With the support of high-speed presses varying from 50 ton to 300 ton with speed up to 400 SPM for lamination punching company efficiently caters the lamination requirements from various end use industries such as industrial appliances, motors, generators, pumps, and home appliances.
Manufacturing Facilities	2 (India) Haryana	• Company's fully automatic stamping lines are equipped with auto-skewing and auto stacking controllers, high tech de-coilers, S-type material straightener & geared feeders for running ultra-precise carbide progressive tools which enhances the efficiency and productivity of the company.
Capacity (MTPA)	25,000 as on FY 2023	• Kumar Precision Stampings Pvt Ltd is an integrated company with inhouse capability of manufacturing multi-cavity rotor die casting tools with enhanced shots life and precise quality.
Total Revenue (INR Millions)	FY 2023 3,948.8[12]	**Key Products** • Home and Industrial Appliances laminations for ceiling fans, table fans, coolers, mixers, and air conditioners. • Transformer laminations for inverters, stabilizers, and UPS. • Monoblock and Submersible pumps laminations • Electric Motor and Generator laminations for Railways, Power Generation and Locomotive. • Automotive laminations for alternators and starters.

Source: www.kumarstamping.com, Frost & Sullivan primary research

Total Addressable Market (TAM) for Pitti Engineering Ltd.

TOTAL ADDRESSABLE MARKET SIZE / OPPORTUNITY FOR PITTI ENGINEEERING LTD.	2023	2029
Motors Market - Global (US$ Bn)	140.5	205.9
Motors Market - India (INR Bn)	544.3	811.5
Generator / Alternator Market - Global (US$ Bn)	18.8	25.3
Generator / Alternator Market -India (INR Bn)	50.8	101.9
TOTAL Motors + Generator / Alternator Market - Global (US$ Bn)	**159.3**	**231.2**
TOTAL Motors + Generator / Alternator Market - India (INR Bn)	**595.1**	**913.4**

12 Tofler Balanced Sheet Report as on FY2023

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 13 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 36, 258 and 91, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2024, 2023 and 2022 is derived from the Audited Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Information" on page 258.

Our Audited Consolidated Financial Statements are prepared in accordance with Ind AS, the Companies Act, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Accordingly, the degree to which our Audited Consolidated Financial Statements in this document will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company" or "our Company" are to Pitti Engineering Limited on a standalone basis, and references to "the Group", "we", "us", "our", are to Pitti Engineering Limited and its Subsidiaries on a consolidated basis. The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position.

*With a view to achieve vertical integration and broaden our footprint across our supply chain and simplify and consolidate our group structure, our Company has strategically decided to integrate Pitti Castings Private Limited, which is involved in the casting business, and PRECL into our operations and has accordingly filed a scheme of amalgamation between PCPL, PRECL, and our Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 (our Company, Subsidiaries and PCPCL to be collectively referred to as "**Pitti Group**"). Unless otherwise indicated, industry and market data used in this section have been derived from the report "Assessing the Opportunity for Motors, Generators and Components" dated July 6, 2024 (the "**F&S Report**") prepared and released by Frost & Sullivan (India) Private Limited.*

Overview

We specialize in the manufacturing of a wide range of products such as electrical steel laminations, motor cores, sub-assemblies, die rotors and press tools and are the market leader in lamination vertical, which is part of the rotating electrical equipment vertical, based on revenue for the sub-vertical for Fiscal 2023 (*Source: F&S Report)*.

We have a long-standing experience of over three decades, with our operations commencing in the year 1987 as a manufacturer of electrical laminations for application in motors used in a wide array of electrical equipment. Over the years, for meeting dynamic customer requirements and capitalizing on the market opportunities, we have diversified and revamped our engineering capabilities and processes, with addition of machined castings, core building, shaft manufacturing and assembly, air gap turning, laser cutting, cleat forming, spot and special welding, heat treatment, machining, tool manufacturing, fabrication *etc.* to manufacture and supply a wide range of products, high value-added assemblies components, and ready to wind assemblies used in rotating equipment *i.e.*, stators and rotors for application in diversified set of industries.

Assimilation of such manufacturing capabilities resulted in the development of an integrated end-to-end supply chain for our customers in the rotating electrical equipment vertical. Under the rotating electrical equipment vertical, we have the capability to manufacture laminations ranging up to 1300 mm diameter in size, stator assemblies of up to 1800 mm height weighing a maximum of 10 tons, and with our rotor die casting facility we have capabilities to manufacture rotors with weight and height ranging up to a maximum of 180 kg and 1,500MM, respectively. Set out below is a list of a few key products under rotating electrical equipment vertical:

Product portfolio of Rotating Electrical Equipment


Loose Laminations


Stator Glued Lamination


Pole Lamination


RTU Rotors (Diecast Rotors)


Copper Built up Rotor


RTU Rotor


Stator Core (Traction)


Assembled Stator Core


Stator Core (Traction Alternator)


RTU Stator


Assembled Core (Fan Core)


Assembled Core (Stator and Rotor Pack)

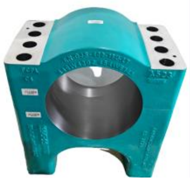

Assembled Core (Magneto Pack)


Barrel

In addition to the manufacturing of products under the rotating electrical equipment vertical, we further leveraged our engineering expertise and machining capabilities to expand into the manufacturing of complex and critical machined components comprising of machined fabricated parts and forged shafts, and also undertake specialized processing and machining to cater to requirements of precision engineering and machining in diversified set of industries including mining, renewable energy and automotive. Set out below is a list of a few products under machined components vertical

Product portfolio of Machined Components


Water Pump Shaft and Armature Shaft


Pedestal Gear Box


Cylinder


Canon Tube

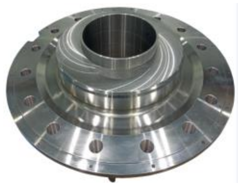

High Speed Planatory Gear Shaft


Stator Frames


Gear Case


Axle Box


Centre Piot


Flywheel Flange

We manufacture and supply a wide range of products under our rotating electrical equipment and machined component verticals for usage in diversified set of industries. Set forth below are the industry wise categorization of our key products:

Key Industries	Types of Part Supplied
Rotating Equipment Vertical	
Renewable energy	Stator and rotor laminations, assembled stator and fully integrated ready to wind rotors with shaft.
Power generation	Stator and rotor laminations and assembled stator and rotors
Data centres	Assembled stator integrated with a landing bar and fully integrated ready to wind rotors with shaft
Consumers	Assembled stator and rotor
Automotive	Assembled stator and rotors, powder coating
Industrial	Assembled stator, diecast rotors and fully integrated ready to wind diecast rotors with shaft
Special purpose motors	Stator and rotor laminations, assembled stator, diecast rotors and fully integrated ready to wind rotors with shaft and copper bar
Mining	Assembled stator
Traction motors and railway components	Stator and rotor laminations and ready to wind stator frames
Machined Components Vertical	
Mining equipment	machined frame, machined barrel, flywheel flange, highspeed and low speed planetary gear shafts
Renewable energy	Module endplate for hydrogen electrolyzers

We have vertically integrated our operations from tooling to laminations and their assemblies; and from machined casting and fabrication to machining and other value-added processes, which we believe has enabled us to provide a comprehensive one stop shop for our clients in rotating equipment vertical. We believe that our focus on producing margin accretive value-added products has led to our transition from being an electrical lamination-led business to a multi-product offering Company. We intend to leverage our engineering expertise, machining capabilities, fabrication and casting experience to further expand our business into the manufacturing of complex and critical machined components, which we believe is both margin accretive and value additive, to a diversified range of end user industries.

Our revenue from sale of machined components vertical has increased from ₹ 9,959.25 lakhs in Fiscal 2022, representing 10.44% of our revenue from operations in Fiscal 2022 to ₹14,714.18 lakhs in Fiscal 2024, representing 12.25% of our revenue from operations in Fiscal 2024, at a CAGR of 13.89%, depicting our increased focus on machined products. For details see "*Our Business - Key Operational and Financial Metrics*" on page 177.

Our facilities

As on date of this Preliminary Placement Document, our Company has four manufacturing facilities comprising three manufacturing facilities located in Telangana (all located in close proximity to each other in Nandigaon) and one facility located in Aurangabad, Maharashtra. For details, see "*Our Business - Our Manufacturing Facilities*" on page 193.

Our Company has also recently acquired Bagadia Chaitra Industries Private Limited ("**BCIPL**"), pursuant to the share purchase agreement dated March 11, 2024, which as on the date of this Preliminary Placement Document is our wholly owned subsidiary. BCIPL is engaged in manufacturing of electrical laminations and die cast rotors with geographical exposure to the regions of South Indian including Karnataka and Tamil Nadu. It has two manufacturing facilities in Tumkur, Karnataka. Through this acquisition, our Company intends to broaden its presence in South India and add to the overall asset base and production capacity. Upon acquisition of BCIPL, we have an aggregate of six manufacturing facilities (one of which is in the process of being reoperationalised) with a combined installed capacity of 72,000 MT, as of March 31, 2024. For details, see "*Our Business - Our Manufacturing Facilities*" on page 193.

Further, we intend to amalgamate Pitti Castings Private Limited ("**PCPL**"), our promoter-led group company, with our Company pursuant to the Scheme with an objective of further vertical integration of our supply chain. PCPL is currently involved in the casting business and has a foundry unit in Hyderabad. We believe that proposed amalgamation will enable us to keep the core competencies required for our business in-house, streamline our production processes, achieve shorter product development and delivery times, exercise greater control over key inputs and processes, reduce inventories and manage capital expenditure.

We are currently in the process of re-organizing our manufacturing footprint in line with our business strategies. For further details, see "*Our Business- Strategies- Strategic expansion of our manufacturing facilities"* on page 184.

Our manufacturing operations, ranging from tooling, laminations and assemblies to castings, fabrication and machining, are coordinated and managed through a unified SAP software, integrated QMS (Quality Management System) and common manufacturing and marketing teams, which we believe has enabled us to focus on manufacturing of margin accretive and value additive machined products.

We have received quality accreditation certifications for our integrated and management systems which, along with our automative task handling, affirm our software capabilities for process design. For instance, our manufacturing facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015 and IATF 16949:2016, environmental management systems such as ISO 14001:2015. Our manufacturing facilities have also been certified with the requirements of EN 15085 for welding railway vehicles and components, and ISO 3834-2 related to welding products.

Our endeavor and focus are on consistently delivering quality products along with our integrated and advanced manufacturing operations which has enabled us to develop products suited to our customers' requirements, which has, in-turn, helped us in fostering long term customer relationships.

For instance, leveraging our machining capabilities, we had been supplying an international client stator frame integrated assemblies, which in our opinion, eventually enabled us to secure a long-term contract spanning 13 years for supply of various undercarriage parts for locomotives such as rotor cores, journal box, stator frames and cores, *etc.* We have several leading global manufacturers in the locomotive, traction motors, renewable energy, power generation, automotive and other industrial sectors as our clients, which include Wabtec India Industrial Private Limited, Varroc Engineering Limited, Medha Traction Equipment Private Limited and Weg Industries India Private Limited. We have received the "Best Supplier of the Year" award from GE India in 2012, "Product development support excellence award" from Cummins India Limited, received in 2013, "Best performer in quality/on time delivery/lead times" from ABB India Limited in 2018; "the Supplier of the Year" award from Wabtec Corporation in 2022, an award for supplier cost reduction ideas from the Wabtec Corporation in 2023, and Certification of Appreciation from Cummins Generator Technologies in 2024.

We are a promoter driven, professionally managed organization. Our Promoter and Chairman, Sharad B Pitti, has more than 35 years of experience in the precision engineering and manufacturing sector and has played a pivotal role in our Company's innovation, success, and growth. Additionally, Akshay S Pitti, our second-generation Promoter, Managing Director and Chief Executive Officer has extensive experience of serving in different roles within our Company.

Key operational and Financial Metrics

Set out below are our key operating and financial metrics:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(in ₹ lakhs, unless otherwise specified)		
Revenue from operations	1,20,159.64	1,10,017.15	95,382.38
EBITDA(1)	17,770.99	15,138.46	13,262.25
EBITDA margin (%)(2)	14.79%	13.76%	13.90%
EBITDA / MT (in ₹)(3)	42,007	41,707	41,516
PAT	9,019.13	5,883.21	5,186.31
PAT margin (%)(4)	7.22%	5.26%	5.35%
Cash accruals(5)	14,421.04	10,348.44	9,073.99
Return on Capital Employed (%) (6)	16.21%	17.01%	15.72%
Domestic Sales (in MT)	33,149	28,426	25,130
Export Sales (in MT)	9,156	7,871	6,815
Sheet Metal – Total Sales (in MT)	42,305	36,297	31,945
Sheet Metal Produced (in MT)*	40,850	35,803	32,080
Machining hours utilized*	4,16,876	3,42,467	3,07,682

** As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024. Sheet metals forms part of the rotating electrical equipment vertical of the Company.*

Notes-

(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income
(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

The following table additionally sets forth revenue contribution made by our (A) Rotating equipment vertical and (B) Machined Component vertical to the consolidated revenue from operations of our Company for the years indicated below:

(in ₹ lakhs, unless otherwise specified)

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Revenue	**% of Revenue from Operations**	**Revenue from Operations**	**% of Revenue from Operations**	**Revenue**	**% of Revenue from Operations**
A. Rotating electrical equipment						
Stator and Rotor Laminations and low value-added assemblies	39,731.93	33.07%	34,550.11	31.40%	25,781.76	27.03%
High value-added assemblies	34,106.15	28.38%	35,443.58	32.22%	33,654.96	35.28%
Stator frame or Rotor shaft integrated assemblies	16,735.30	13.93%	16,507.74	15.00%	11,699.36	12.27%
B. Machined Components	14,714.18	12.25%	10,465.49	9.51%	9,959.25	10.44%
Total of the above two verticals	**1,05,287.56**	**87.63%**	**96,966.92**	**88.13%**	**81,095.33**	**85.02%**
Others(1)	**14,872.08**	**12.37%**	**13,050.23**	**11.87%**	**14,287.05**	**14.98%**
Total Revenue from Operations	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Others include sale of tools, scrap sales and other operating revenue (export incentives) adjusted with price variance & discounts.

The following table sets forth key operating and financial metrics of (A) Pitti Castings Private Limited and (B) BCIPL for the years indicated below:

<u>*Pitti Castings Private Limited*</u>

(In Rs lakhs, unless otherwise specified)

Particulars*#	**Fiscal 2023**	**Fiscal 2022**
Revenue from Operations	15,032.21	13,744.00
EBITDA(1)	1,281.92	791.79
EBITDA margin(2) (%)	8.53%	5.76%
EBITDA / MT(3) (in Rs.)	17,377	10,160
PAT	483.61	(166.11)
PAT Margin(4) (%)	3.21%	-1.21%
Cash accruals(5)	981.52	535.23
Return on Capital Employed(6) (%)	10.30%	1.37%
Domestic Sales (in MT)	7,377	7,793
Export Sales (in MT)	-	-
Total Sales (in MT)	7,377	7,793
Castings Produced (in MT)^	7,990	8,071

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, independent chartered engineer associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.

#Audited standalone financial information of PCPL for Fiscal 2024 is not available as on the date of this Preliminary Placement Document. Accordingly, certain financial information has been included for Fiscals 2023 and 2022.

**Financial information for PCPL as included in this Preliminary Placement Document has been derived from the audited financial statements of PCPL prepared in accordance with the Indian GAAP, and accordingly may not be comparable with financial statements of the Company prepared in accordance with IndAS. For details, see "Risk Factors - We are in the process of undertaking a corporate reorganisation and amalgamating certain subsidiaries and promoter-held companies, into and with our Company, subject to necessary statutory/regulatory approvals under applicable law. Since the Scheme is subject to necessary statutory and regulatory approvals under applicable laws including*

approval of the NCLT, the timing of implementation thereof remains uncertain, and we cannot assure you that we will be able to realise targeted synergies from the proposed amalgamation" on page 41.
Notes-

(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income
(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

BCIPL

(In Rs lakhs, unless otherwise specified)

Particulars*	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from Operations	25,038.91	26,406.76	23,707.77
EBITDA(1)	1,736.74	1,411.23	1,514.29
EBITDA margin(2) (%)	6.94%	5.34%	6.39%
EBITDA / MT(3) (in Rs.)	12,641	11,477	14,378
PAT	804.61	417.50	683.52
PAT Margin(4) (%)	3.20%	1.58%	2.88%
Cash accruals(5)	1,014.51	847.47	1,075.29
Return on Capital Employed(6) (%)	24.76%	19.77%	21.92%
Domestic Sales (in MT)	13,379	11,975	10,170
Export Sales (in MT)	360	321	362
Total Sales (in MT)	13,739	12,296	10,532
Sheet Metal Produced (in MT)^	13,493	12,240	10,412

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer, associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.

**The financial statements of BCIPL have historically been prepared under Indian GAAP, and will accordingly have to be converted to IndAS, before being consolidated with the financial statements of our Company. These transition adjustments can potentially lead to a significant difference in reported figures of BCIPL and accordingly additional explanation or reconciliation disclosures may have to be included in the consolidated financial statements of our Company. For further details, see "Risk Factors- The Audited Consolidated Financial Statements included in this Preliminary Placement Document do not account for recent acquisition of Bagadia Chaitra Industries Private Limited, and accordingly may not represent the comprehensive view of impact of the acquisition on our consolidated financial position." on page 39.*
Notes-

(1) EBITDA=Profit Before Tax + Finance Cost + Depreciation and Amortization expenses – Other income
(2) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations
(3) EBITDA per MT=EBITDA divided by Total Sales in Sheet Metal (in MT)
(4) PAT margin (%) is calculated by dividing Profit after Tax by Total Income
(5) Cash accruals=Profit after Tax + Depreciation and Amortization expenses
(6) Return on Capital Employed is calculated by dividing Earnings Before Interest and Taxes (EBIT) by Capital Employed, wherein EBIT=Profit Before Tax – Interest on Investment Income + Interest on Long Term and Short Term Debt and Capital Employed=Tangible Net worth (Net worth – Non-current Investment) + Total Debt (Non-current Borrowings + Current Borrowings + Interest Accrued) + Deferred Tax Liability

Our Strengths

Our key strengths are as set forth below:

Full stack of integrated end-to-end manufacturing processes resulting in a diverse product portfolio with increasing value addition

Our journey from manufacturing laminations to manufacturing complex and value-added assemblies and precision machined components involved expansion of our capabilities in both lamination manufacturing and machining. In the initial years of our operations, we focused on manufacturing electrical laminations for the rotating electrical equipment industry. As we gained experience, we diversified and revamped our manufacturing capabilities and processes to include tooling and fixturing, assembly, laser cutting, shaft manufacturing, special welding processes, heat treatment, specialized painting and coatings, fabrication and machining, etc.

Today, our Pitti Group has unified in-house and end-to-end manufacturing operations-ranging from tooling, laminations and assemblies to castings, fabrication and machining, enabling us to develop an integrated supply chain for our customers in the rotating electrical equipment vertical, and thereby provide them with extensive, comprehensive, and one-stop-shop solutions.

We also believe that our full stack of integrated in-house manufacturing processes has empowered us to gain a competitive advantage and significant market share at each stage of the engineering value chain. The rotating electrical equipment, for instance, currently consists of three sub product categories- stator and rotor laminations & low value - added assemblies, high value-added assemblies and frame & shaft integrated assemblies.

The stator and rotor laminations require minimal value-addition, and are typically made through a process involving slitting, shearing and stamping/punching. However, we have gained a competitive advantage over our peers since most of our tooling and processes are developed in-house and we have achieved cost-effectiveness and efficiency through economies of scale, automation, and efficient supply chain management (*Source: F&S Report*).

High value-added assemblies are produced by integrating stator and rotor laminations with child parts consisting of end laminations, duct laminations, end castings, clamping plates, copper bars/plates, etc., and locking them through processes such as special welding, cleating, fastening and die castings. Most of our competitors haven't achieved this level of vertical integration and we therefore face sporadic competition at this level (*Source: F&S Report*).

Frame and shaft integrated assemblies are produced by integrating the high value assemblies with casted, fabricated and machined frames in case of stators and fully integrated ready to use rotors with the shaft in case of the rotors. Making these assemblies involves advanced manufacturing processes, precision engineering, incorporation of specialized components or technologies, thereby adding significant values to the products we supply. None of our peers have managed to manufacture and produce such assemblies (*Source: F&S Report*).

Our integrated end-to-end manufacturing operations have provided us with the following additional advantages:

1. **Efficiency**: Our integrated operations have helped streamline production processes by consolidating various stages of manufacturing under one roof. This has enabled us to reduce lead times, minimize transportation costs, and optimize resource utilization.
2. **Quality Control**: With all manufacturing processes managed internally, we now have greater control over quality assurance at every stage of production. This helps maintain consistency and ensures that products meet or exceed quality standards.
3. **Cost Savings**: By eliminating the need to outsource most of the manufacturing tasks, integrated operations help us reduce costs associated with outsourcing costs, transportation, and inventory management. Economies of scale have also been achieved by centralizing production.
4. **Flexibility and Responsiveness**: Integrated manufacturing allows us to quickly adapt to changes in demand, product specifications, or market conditions. This agility enables faster decision-making and facilitates the introduction of new products or modifications to existing ones.
5. **Innovation and Collaboration**: Integrated operations also provide opportunities for cross-functional collaboration, leading to the development of new technologies, processes, and products.
6. **Supply Chain Optimization**: Our integrated manufacturing operations have helped us improve supply chain management by reducing reliance on external suppliers and mitigating risks associated with supply chain disruptions. This enhanced control over the supply chain enables better coordination and inventory management.

We further believe that our full stack of engineering and product development capabilities have helped us explore and manufacture a range of complex, safety critical, high precision and margin accretive products, allowing us to serve a wide range of new application segments, which has strengthened our ability to attract new customers. For instance, we have developed high speed and low speed planetary gear shafts and flywheel flange which are used in the mining industry and machined components for hydrogen electrolyzers, which are extremely relevant for the renewable energy sector. We strive to continuously evaluate new businesses and add more value-added products to our portfolio to improve margins and profit realizations.

Diversified business model enabling consistent growth despite sector-specific or geography-specific volatilities.

Our business model is well diversified by end use industry and customer base. We manufacture and supply a wide range of products for the mining, automotive, railways, renewable energy, power generation, industrial motors & special purpose motors industries amongst others. The table below sets out the revenues from various end-use industries and as a percentage of our revenue from operations for the periods indicated:

(in ₹ lakhs, unless otherwise specified)

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations	Revenue	% of Revenue from Operations
Renewable Energy	5,441.00	4.53%	5,256.00	4.78%	3,917.00	4.11%
Power Generation	17,262.00	14.37%	15,503.00	14.09%	14,605.00	15.31%
Data Centre	1,998.00	1.66%	2,486.00	2.26%	2,095.00	2.20%
Appliances & Consumer	599.00	0.50%	335.00	0.30%	1,591.00	1.67%
Automotive	544.00	0.45%	680.00	0.62%	-	0.00%
Industrial & Commercial	15,217.00	12.66%	15,160.00	13.78%	15,303.00	16.04%
Special Purpose Motors	10,054.00	8.37%	11,156.00	10.14%	11,222.00	11.77%
Mining, Oil & Gas	8,445.00	7.03%	7,883.00	7.17%	4,745.00	4.97%
Traction Motor & Railway Components	50,025.00	41.63%	37,952.00	34.50%	25,185.00	26.40%
Others (1)	10,574.64	8.80%	13,607.15	12.37%	16,719.38	17.53%
Total	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Others include sale of tools, scrap sales and other operating revenue (export incentives) adjusted with price variance & discounts.

Our diversified customer and end-user base has enabled us to reduce revenue dependency on a single industrial segment, consequently insulating us from economic downturns, changes in customer preferences, or disruptions in specific industries. Furthermore, we believe that our diverse customer base has also helped us develop a stable revenue stream. Different customers have varying buying patterns, seasonal demands, or industry-specific cycles. Diversification has helped us balance these fluctuations, providing a more predictable revenue stream over time. We have also gained valuable market insights, including emerging trends, changing customer needs, and competitive dynamics, which has helped shape our product development, marketing strategies, and business decisions and opened up opportunities for growth in new markets or industries, as well as a competitive advantage in the application segments which we currently serve.

Further, with our expertise in lamination and machining, we believe that we are well-positioned to increase our market share in other industries such as renewable energy and automotives. The global motors market is significantly driven by the increasing emphasis on energy efficiency (*Source: F&S Report*). Governments and regulatory bodies worldwide are implementing stringent energy consumption standards and regulations to reduce environmental impact. This trend is pushing manufacturers to innovate and produce high-efficiency motors that can operate at lower energy costs without sacrificing performance (*Source: F&S Report*).

The potential for growth in the EV motor market in India is substantial, driven by evolving government policies that favor electric mobility, such as FAME India (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) and subsidies for electric two-wheelers and three-wheelers, which are widely used in urban and rural areas of India (*Source: F&S Report*). As the local manufacturing ecosystem strengthens with initiatives like 'Make in India', there is a growing opportunity for domestic motor manufacturers to innovate and scale up production. This development is further supported by investments from major automotive players and new startups entering the electric mobility space(*Source: F&S Report*). In addition, advancements in technology and decreasing costs of components are expected to make EVs more accessible to the average consumer, thereby increasing the demand for high-performance and durable electric motors(*Source: F&S Report*). The expansion of renewable energy sources, such as wind and solar, necessitates the use of high-performance motors for energy generation and distribution systems. The shift towards greener sources of energy is fostering the development of new motor technologies that are compatible with renewable energy applications(*Source: F&S Report*).

We also have a geographically diversified revenue base with our business footprint which spans across geographies. As of March 31, 2024, we served customers in over 8 countries including the United States of America, Mexico, Brazil, Spain and Germany. The table below sets forth details of our revenue from contract with customers outside India and within India for the years indicated:

(in Rs lakhs, unless otherwise indicated)

Region	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Revenue from contract	% contribution to revenue from operations	Revenue from contract	% contribution to revenue from operations	Revenue from contract	% contribution to revenue from operations
India	76,712.57	63.84%	72,966.11	66.32%	65,770.42	68.95%
USA	13,977.54	11.63%	15,583.38	14.16%	12,820.77	13.44%
Rest of Americas(1)	25,510.62	21.24%	20,061.98	18.25%	15,691.11	16.46%
Euro Zone(2)	3,958.91	3.29%	1,037.19	0.94%	1,071.21	1.12%
Rest of World(3)	-	0.00%	368.49	0.33%	28.87	0.03%
Revenue from operations	**1,20,159.64**	**100.00%**	**1,10,017.15**	**100.00%**	**95,382.38**	**100.00%**

(1) Rest of Americas comprises of Mexico and Brazil
(2) Euro Zone comprises of Spain, Germany and Switzerland
(3) Rest of the world comprises of Kazakhstan and China

This diversity has enabled us to reduce dependence on any single market or economy and has consequently helped us mitigate risks associated with regional economic downturns, regulatory changes, political instability, or natural disasters that may impact one particular geography. Revenue generated in different currencies has also helped us offset losses or gains resulting from exchange rate movements, reducing currency risk exposure. Furthermore, establishing a presence in multiple geographic regions has helped us build relationships with customers, suppliers, and partners in diverse markets. These relationships have fostered trust, loyalty, and long-term partnerships, strengthening our global network and market position.

Long standing relationships with leading clientele

We have, through over 30 years of business operations, established long-standing relationships with several Indian and global customers across industries.

The tables below set forth below our revenue from customers, segregated on the basis of the years of relationship with such customers for the years/ periods:

Period of Customer Relationship	Fiscal 2024			Fiscal 2023			Fiscal 2022		
	Number of Customers as of March 31, 2024	Revenue from such Customers (in ₹ lakhs)	% of revenue from operations	Number of Customers as of March 31, 2023	Revenue from such Customers (in ₹ lakhs)	% of revenue from operations	Number of Customers as of March 31, 2023	Revenue from such Customers (in ₹ lakhs)	% of revenue from operations
More than 10 years	27	79,234.02	65.94%	28	74,783.44	67.97%	28	65,442.99	68.61%
Less than 10 years	75	40,925.62	34.06%	58	35,233.71	32.03%	60	29,939.39	31.39%
Total	**102**	**1,20,159.64**	**100%**	**86**	**1,10,017.15**	**100%**	**88**	**95,382.38**	**100%**

We believe that our expertise in area of precision machining manufacturing, focus on development coupled with technologically advanced, quality, consistency in on time delivery and cost competitive manufacturing technology processes has resulted in repeat orders from our key customer groups. In addition, we believe that our customer-centric approach and continuous effort on transparent dealings has allowed us to enter into long term agreements with leading key global manufacturers. We have collaborated with our key customer groups in the product development process, enabling our products to meet the exact specifications provided by the customers. Our long term relationship with our customers allows us to understand and cater to their diverse requirements, including the development of new products. Our presence in certain geographies catering to a select customer group helps us to enter other geographies where the same customer group has presence. Further, it gives us an opportunity to cross sell across geographies and offer diversified product portfolios to our customers in other segments into which they may diversify. This also gives us an opportunity to grow our sales in line with the growth of our customers. We believe that our long-standing relations with such customers act as an endorsement of our operational and managerial capabilities and help us solicit new business from potential customers in the same industry.

Expertise in process design, product development and automation

We are a technology-driven company with a focus on engineering, quality, & manufacturing capabilities. These capabilities enable us to roll out new products in a timely manner, develop components required for high-end performance and graduate from manufacturing individual parts to the manufacturing of assemblies, thereby moving us up the value chain. Most of the machines we procure are modular by design and can be retooled for other applications in case of a reduction in demand or a phasing out of the product for which the machine was originally procured. thereby reducing our capital expenditure and de-risking our business model.

We further harness the power of automation and embrace Industry 4.0 practices, involving the integration of advanced manufacturing processes, digital technologies, automation, data analytics, and connectivity, to ensure the production & delivery of high-quality precision products.

We deploy latest CAM (Computer aided manufacturing) software with digital/virtual clones of machines to run simulated machining where we make all required changes to the process ensuring optimal manufacturing of products. Our promoter-led company, PCPL, uses advanced 3D modeling software along with simulation software for liquid metal solidification to reduce the iterations required in develop castings thereby leading to improvement in the quality of products by analyzing predicted defects in the simulations and correcting them.

We also collect our data through IoT (Internet of things) enabled devices, sensors and machines which enable real-time monitoring, predictive maintenance, for improving efficiency and reducing downtime. Further, we have incorporated robotic loading and unloading systems and CNC (Computer numerical control) machines, with which manual errors can be eliminated and productivity, quality and machine and tool down time can be improved significantly. We have also implemented automation systems which in conjunction with high-speed drive productivity improvement, and cost reduction.

ROBOTIC LOADING AND UN-LOADING FOR LAMINATION MANUFACTURING

LOW COST AUTOMATION FOR COLLECTION OF STACKS AFTER PRODUCTION AND INSPECTION.

Our quality accreditation certifications for our integrated and management systems, along with our automative task handling, affirm our software capabilities for process design. For instance, our manufacturing facilities have been certified in accordance with international standards of quality management systems such as ISO 9001:2015 and IATF 16949:2016, environmental management systems such as ISO 14001:2015. Our Company's manufacturing facilities in Telangana and Maharashtra have also been recognized as a welding workshop in accordance with the international standard ISO:3834 and ISO 15085. Further, our group company, Pitti Casting Private Limited is accredited as Class "A" Foundry by RDSO (Research Designs & Standards Organization – Ministry of Railway) based on the compliance with the requirements for quality assurance including personnel and equipment's as per IS 12117:1996.

Consistent track record of growth and financial performance

We believe that our focus on operational and functional excellence has contributed to our track record of healthy financial performance. For Fiscals 2024, 2023 and 2022, we generated revenue from operations of ₹ 1,20,159.64 lakhs, ₹ 1,10,017.15 lakhs and ₹ 95,382.38 lakhs respectively, as per our Audited Consolidated Financial Statements.

For Fiscal 2024, 2023 and 2022, we achieved an EBITDA margin of 14.79%, 13.76% and 13.90% respectively, as per our Audited Consolidated Financial Statements.

We believe that our strong financial performance reflects the efficacy of the manufacturing and supply-chain management protocols that we have implemented while our steady operating cash flows enable us to meet the present and future needs of our customers and develop new value-added products. We further believe that this aids us in strengthening our trust and engagement with our customers and which further enhances our ability to retain these customers and extend our engagement across products and geographies.

Experienced and dedicated senior management team and qualified workforce

Our senior management team comprising of our Promoters are qualified personnel who have extensive experience and know- how in sectors such as engineering, business administration, finance and marketing. We leverage the understanding and the experience of our senior management in successfully managing our operations and growth. Our Promoter and Chairman, Sharad B Pitti, has more than 35 years of experience in the engineering sector and have played a pivotal role in the Company's innovation, success and growth. Additionally, Akshay S Pitti, our second-generation Promoter, Managing Director and Chief Executive Officer has extensive experience of serving in different roles within our Company, post which he has gathered the expertise to lead the Company.

Our management team also includes a qualified team of cross functional professionals across senior and mid-level management. In addition, we have a dedicated team of engineers along with other skilled and technically qualified workforce. We continuously strengthen our engineering expertise by providing in-house training to our workforce, in order to diversify and update their skill sets and keep them updated with the latest changes in manufacturing technologies and processes.

OUR STRATEGIES

The key elements of our strategy are as follows:

Strategic expansion of our manufacturing facilities

As of the date of this Preliminary Placement Document, our Company has four manufacturing facilities comprising three manufacturing facilities located in Telangana, with all three facilities situated in Nandigaon in close proximity to each other, and one facility located in Aurangabad, Maharashtra. For further details, see "*Our Business- Our Manufacturing Facilities*" on page 193.

With improved order flow from our customers, we plan on expanding our footprint beyond Maharashtra and Telangana and to low-cost locations. Our recently acquired wholly-owned subsidiary, Bagadia Chaitra Industries Private Limited (BCIPL) has a manufacturing facility in Tumkur, Karnataka. We intend to consolidate the operations of BCIPL to a single location in Bengaluru through the establishment of a new facility, spanning over approximately 10-20 acres of land. All the operations at the existing Tumkur facility will be moved to this newly acquired facility and the existing capacity of the manufacturing facility will be strategically enhanced to establish a sound manufacturing base to cater to the South Indian markets. We will also explore setting up vertically integrated facilities, in strategically important North Indian markets and emerging East & North-East markets, near our customers and sources of our raw materials, allowing for efficient material flow, streamlined production workflows, and optimized resource utilization. We believe that these vertically integrated facilities would lead to better factory overhead absorptions, economy of scale in manufacturing, reduction in attrition rates at the skilled and semi-skilled personnel level and enable the production of complex products and one-stop-shop engineering solutions for superior customer order fulfilment.

Further, we also are focusing on cost-effective capacity expansion at our existing facilities through operational de-bottlenecking, selective investments that enhance capacity and efficiency, and realigning the manufacturing footprint to unlock additional productivity and margins.

For instance, we believe that we have significant headroom in manufacturing capacity for our casting operations, which we intend to operationalize through increasing the connected electrical load at PCPL's foundry unit in Hyderabad, post its amalgamation into and with our Company. Further, we intend to modularly expand our Maharashtra and Telangana manufacturing facilities, which have recently acquired significant infrastructure and factory space due to our recent expansions, in accordance with our customers' needs and demands. Incremental brownfield expansion could help deliver our cost-effective capacity, facilitating higher growth and improved profit margins.

We are also in the process of re-organizing our manufacturing footprint concentrating the machining capabilities in Telangana and consolidating our lamination facilities in Maharashtra and Bengaluru. We intend to transform our manufacturing facilities from generalized production centres, manufacturing a variety of products, to specialized centres of excellence focusing on core product types.

Our Maharashtra facility will be streamlined to predominantly produce large and complex value-added assemblies. Our Bangalore unit will be used to produce rotating electrical equipment such as laminations ranging upto 1,300 mm diameter in size, stator assemblies of up to 1,050 mm height weighing a maximum of 2.2 tons, currently produced in the Tumkur facility. Our intention is to target specific end-user industries and customers situated in the South Indian region.

Our Telangana facilities will be the focal point for the manufacturing operations relating to our machined components vertical. PCPL has a foundry unit in Hyderabad, where all the casting operations are carried out. Post the amalgamation of PCPL into and with our Company, one of our facilities situated in Nandigaon, Telangana which is currently inactive and in the process of being operationalized, will be the location where the post-processing operations of the iron and steel castings will be undertaken such as heavy fabricating and pre-machining. Our remaining facilities in Nandigaon, Telangana will be used for manufacturing operations such as light fabrication, precision and final machining. Our frame integrated stator cores, produced under the rotating equipment vertical, will also be machined in this location to produce ready-to-wind assemblies for application in diverse set of industries.

Retain and strengthen our technological, manufacturing and sustainability practices

We are a technology driven company focused on using appropriate cost-effective technologies for different volumes and varieties of products, to become a single point solution provider to our customers.

We intend to digitalize our operations by investing in line automation and robotics to replace human workers in performing repetitive tasks and integrating information technology (IT) and SAP systems with shop floor operations, thereby improving the operational process performance of our machines or equipment by having the right analysis of downtime or reasons for loss of productivity. To support this process, we have purchased and intend to purchase new equipment that is compatible with our IT and SAP systems. We plan to continue expanding our development, engineering, tool design and manufacturing, process improvements and lean manufacturing techniques. We have been procuring automatic stator cleating machines and machines with robotic arm pick and place and robotic arm welding machines. These investments are expected to generate reduction in transaction turnaround time, optimization of work flows leading to zero defect products, reduced waste and inventory, enhanced supply chain visibility and strengthened predictive analytics.

Upgrading our equipment and systems will also result in enhancing the energy efficiency of our operations, which is in line with our efforts to develop and follow sustainable practices. Our manufacturing facilities have an effective zero liquid discharge mechanism. We further intend to improve our sustainability practices by ensuring that all new buildings and facilities are designed in accordance with the LEED certification standard, are zero liquid discharge and largely reliant on green energy.

Focus on increasing operational efficiencies to improve returns

Offering quality products at attractive prices is a key aspect of maintaining and expanding our relationships with our customers. To that end, we have adopted several initiatives designed to improve our cost efficiency, and as one of our primary business strategies we intend to continue improving our cost efficiency.

We continuously focus on training our workmen on the operation bulletin. We have dedicated team to review and implement employee skill matrix to adjust with fast changeover. We put efforts to training the production team to maximize the usage of innovation in technology, which helps in reducing high skill requirements.

For instance, we have incorporated robotic loading and unloading system, CNC machines, with which manual errors can be eliminated and productivity, quality and machine and tool down time can be improved significantly. We have also implemented low-cost automation systems in high-speed presses for productivity improvement, and cost reduction.

We intend to use a variety of other manufacturing strategies, sourcing strategies and cost reduction strategies to continue to improve our operational efficiencies. We are continually working on automation of various process to eliminate waste and reduce recurring labour cost, improve efficiency and manpower optimization, using the data from our SCADA and SAP systems for monitoring and controlling industrial processes, infrastructure, and facilities on real-time basis, using simulation software to model, analyse and optimize various aspects of our operations and enable better material utilization, improving procurement leverages, achieving economies of scale and purchasing multi-tasking machinery which will eliminate human touch points.

Increase wallet shares from customer by leveraging existing customer relationships and cross-selling our products

We are focused on leveraging long-standing relations with our existing customers and adding new customers to increase our wallet share across our products. As of March 31, 2024, 2023 and 2022, customers who have been associated with us for more than 10 years contributed 65.94%, 67.97% and 68.61% to our revenue from operations in Fiscal 2024, 2023 and 2022. We endeavour to deliver quality services to our existing customers, through our varied product offerings and vertically integrated manufacturing operations, to establish ourselves as a trusted supplier and increase our wallet share by selling across multiple products. Additionally, we leverage our existing relationships to expand our business into other business verticals of our clients.

Additionally, we intend to explore opportunities in the manufacturing of copper coils and windings. Our intention to foray into these products will enable us to expand our customer base and cross-sell such products to our existing customers.

Focus on geographical diversification, integration of supply chain and diversification of product portfolio and customer portfolio through opportunistic organic and inorganic growth avenues and partnerships with customers

Shareholder value accretion, access to new product lines, geographical diversification, capacity expansion etc. are the central part of our Company's growth strategy. As we know, companies employ many different strategies to grow, primarily in organic and inorganic modes. While we continue to stay focused on strategies giving strong organic growth for the Company, an inorganic means of growth is also an alternate way to increase our revenue size, customer addition and market penetration. We are continuously in the process of identifying opportunities that align with our strategic objectives. These opportunities should strategically add to our overall asset base and production capacity, provide us with opportunities for entry into new end use sectors and expand our customer base. In light with this strategy, we have recently acquired Bagadia Chaitra Industries Private Limited (BCIPL) through share purchase agreement dated March 11, 2024. For further details, please see, *"Our Business-Overview*" on page 174. This acquisition marks a significant step forward in expanding our pan-India presence, broadening our customer base, and enhancing our production capacity.

BCIPL is a manufacturer of electrical laminations and aluminium die cast rotors for AC/DC motors, alternators, pumps, home appliances, electrical vehicles, etc, industries with geographical exposure to south Indian market. It operates out of Tumkur district, Karnataka where it has its manufacturing facilities. It has an installed capacity of 16,000 MT.

In addition, recently, with a view to achieve further vertical integration and broaden our footprint across our supply chain and simplify and consolidate our group structure, we intend to amalgamate Pitti Castings Private Limited (PCPL), our promoter-led group company, and Pitti Rail and Engineering and Components Limited (PRECL), our wholly-owned subsidiary, into and with our Company, pursuant to the scheme of amalgamation between PCPL, PRECL, and our Company and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013, with an objective of vertically integrating our Company's supply chain (the "**Scheme**"). PCPL is currently involved in the casting business. Through the amalgamation of PCPL with our Company, we intend to strategically integrate the castings business in our operations, which will lead to combined business operations, enhanced market presence and customer base, improvement in our financial position, economies of scale, improved operational efficiency and risk diversification. Our Company in its ordinary course of business and in line with its business strategies explores target opportunities for strategic acquisitions or for undertaking other inorganic initiatives, from time to time. As on the date of this Preliminary Placement Document, our Company has entered into a non-binding term sheet for acquisition of a company which is engaged in similar line of business as that of our Company. For details, see "*Risk Factors - We may undertake acquisitions, investments, joint ventures or other strategic alliances, for which any targets or opportunities have not been identified as on the date of this Preliminary Placement Document. Our inability to undertake investments, acquisitions and inorganic growth opportunities in line with our business plans and strategy or to successfully integrate such investments with our Company may have a material adverse effect on our may have an adverse impact on our business, operations or financial conditions.*"

OUR BUSINESS OPERATIONS

We specialize in the manufacturing of a wide range of products such as electrical steel laminations, motor cores, sub-assemblies, die rotors and press tools and have now been established as a market leader in the laminations vertical, which is part of our main rotating electrical equipment product vertical, based on the revenue generated from laminations in Fiscal 2023 (*Source: F&S Report)*.

Our Product Verticals

Our products are currently divided into two broad verticals- rotating electrical equipment (i.e. components used in motors and generators) and machined components.

A. *Rotating electrical equipment**:***

Rotating electrical equipment are broadly divided into three sub-verticals:

(i) Stator and rotor laminations and low value-added assemblies
(ii) High value-added assemblies
(iii) Stator frame or rotor shaft integrated assemblies.

These products find application in products, such as motors and alternators, which are themselves quintessentially used in various end-user industries such as home appliances, automotive industry, railways, electric vehicles, Power generation, Data centres, marine, steel, cement, mining, agriculture etc. For details on end-use industries, see "*Our Business – Overview*" on page 174.

(i) Stator and Rotor Laminations and low value-added assemblies

Stator, rotor laminations and low-value added assemblies, are key components used in the construction of electric motors and generators. They require minimal value-addition, and are typically made through a process involving cutting, shearing, punching, cleating and die casting. These products play a crucial role in the efficient operation of electric motors and generators by providing a low-resistance path for magnetic flux and minimizing energy losses due to eddy currents and hysteresis.

LAMINATIONS FOR TRACTION & POWER GENERATION

LAMINATIONS FOR ELECTRIC VEHICLE

DIE CAST ROTOR FOR INDUSTRIAL MOTORS

STATOR ASSEMBLIES FOR INDUSTRIAL MOTORS

(ii) High value-added assemblies

High value-added assemblies are produced by integrating stator and rotor laminations with child parts consisting of end laminations, duct laminations, cleats, and clamping plates. They are key components of electric motors and generators and serve as the foundation for the windings and play a crucial role in the generation of magnetic fields and the conversion of electrical energy into mechanical energy (in the case of motors) or vice versa (in the case of generators)

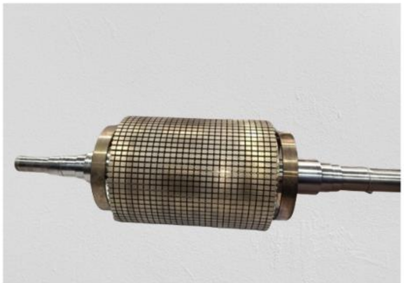
MACHINED TRACTION MOTOR STATOR CORE FOR METRO RAIL

ASSEMBLED ROTOR CORE FOR ALTERNATORS USED IN DATA CENTERS

(iii) Stator Frame or Rotor Shaft integrated Assemblies

Stator Frame or Rotor Shaft integrated Assemblies are produced by integrating sub-assembled stator and rotor cores with casted, fabricated, and machined frames. The ready-to-use stator and rotor assemblies involve advanced manufacturing processes, precision engineering, incorporate specialized components or technologies and add significant value to electric motors and generators by enhancing their performance, efficiency, reliability, or functionality.

LARGER STATOR CORE - FOR SULPHARISATION PLANT. 16MW, SIZE 1500MM X 1500MM X 1700 LEN. MAX. WEIGHT = 9TON.



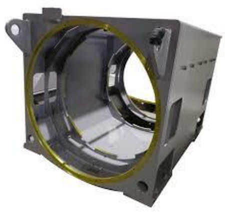
ROTOR SHAFT INTEGRATED ASSEMBLY.
4MW WIND GENERATOR. 800 mm Dia , X 1000 mm CL.
CONSISTING SHAFT LENGTH OF 3000mm
MAX. WEIGHT 2 TON.

B. Machined Components:

Machined components consist of castings and specialized sourcing of forgings and rolled metal components on which we perform value added processes such as cutting, heat treatment, precision machining, grinding and specialized painted and coasting.

Details of some of the key products manufactured under this vertical are set forth below:

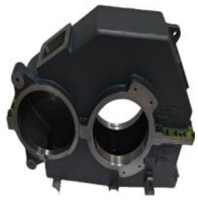
i) *Stator frame:* A stator frame is a structural component used in electric motors and generators. It serves as the outer casing or housing that encloses the stator core and windings. The stator frame provides mechanical support, protection, and rigidity to the stator assembly.



ii) *High speed planetary gear shaft:* High-speed planetary gear shafts are components used in planetary gear systems designed to operate at high rotational speeds. Planetary gear systems consist of one or more outer gears, called planet gears, which revolve around a central gear, known as the sun gear, while also rotating on their own axis. These gears are typically mounted on shafts that transmit torque and rotational motion. High-speed planetary gear shafts are used in a wide range of applications, including automotive transmissions, aerospace propulsion systems, industrial machinery, and power generation equipment. These shafts provide compact, efficient, and reliable torque transmission in systems where space, weight, and performance are critical factors.

iii) *Traction motor rotor shaft:* A traction motor rotor shaft is a component used in traction motors, which are electric motors specifically designed for propulsion applications, such as in electric vehicles (EVs), hybrid vehicles, locomotives, and other transportation systems. The rotor shaft is a critical part of the traction motor's rotor assembly, responsible for transmitting torque to drive the vehicle's wheels or propulsion system.

iv) *Gear case:* A gear case, also known as a gearbox or gear housing, is an enclosure or housing that contains gears and other related components in a gear transmission system. Gear cases are commonly used in machinery and equipment to transmit power, change rotational speed, and alter torque characteristics between input and output shafts.



v) *Flywheel Flange:* A flywheel is a mechanical device used to store rotational energy. It consists of a heavy rotating disk or wheel mounted on an axle, and it stores energy in the form of kinetic energy by increasing its rotational speed. Flywheels are used in various applications to smooth out fluctuations in rotational speed, provide inertia, or store energy for short-term power delivery

Our Manufacturing Process:

Rotating electrical equipment:

Rotating electrical equipment comprises of three sub-verticals- i) loose laminations and low value-added assemblies, ii) high value-added assemblies and iii) stator frames or rotor shaft integrated assemblies, respectively. Set forth below is a brief description of the manufacturing processes involved in the manufacturing of rotating electrical equipment at our manufacturing facilities:

i) *Manufacturing of loose laminations and low value-added assemblies:*

These products are typically made through a process involving the following steps:

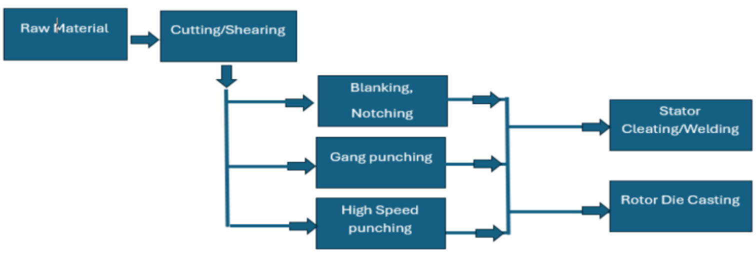
a) Material sourcing: The primary material used for laminations is electrical steel, also known as silicon steel or transformer steel. This material is chosen for its magnetic properties, which include high permeability and low core loss. The steel is typically coated with an insulating oxide layer to reduce eddy current losses. Raw material will be in the form of coils.

b) Material processing: These coils are then cut into smaller, precisely sized strips using slitting & shearing machines. The width of the strips corresponds to the desired dimensions of the laminations.

c) Punching: The sheared strips are then fed into a stamping press, where specialized tools are used to punch out the individual laminations. The tools are designed and manufactured in house, to create the desired shape and features of the laminations, such as holes for mounting bolts and slots for accommodating windings. We follow 3 types of manufacturing process like blanking, notching, Gang punching, & High speed punching based on customer requirements.

d) Once Punched, the laminations are stacked together to form the core assembly. The laminations are typically arranged in a specific orientation to minimize core losses and maximize magnetic flux density within the stator assembly. Stator and rotor cores are then integrated with various child parts or components such as end laminations, cleats, core bars, landing bars, studs, end rings or clamping plates to complete the assembly. Stator cores may then be cleated[13], welded[14], machined, or glued in accordance with the specific customer requirement. Similarly, rotor cores may be die-cast[15] before being supplied to a specific end-user.

PROCESS SEQUENCE FOR MANUFACTURING OF LAMINATIONS



ii) *Manufacturing of high value-added assemblies*

High Value added assemblies are produced by integrating stator and rotor laminations with child parts consisting of end laminations, duct laminations, end castings, clamping plates, copper bars/plates, etc., and locking them through processes such as special welding, cleating, fastening and die castings. A similar manufacturing process is followed for Low value-added assemblies and high value-added assemblies, however the complexity involved in the process and precision engineering work is higher in the high value-added assemblies than in the low value-added assemblies.

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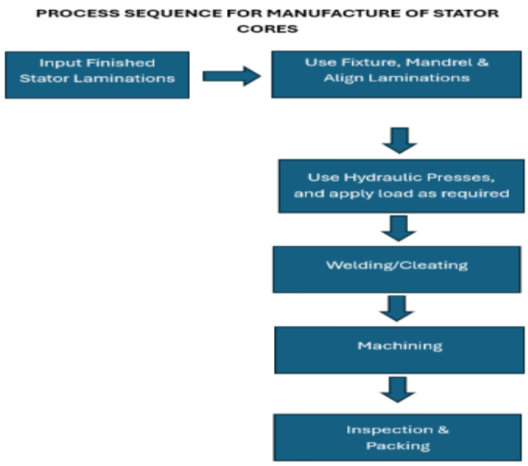
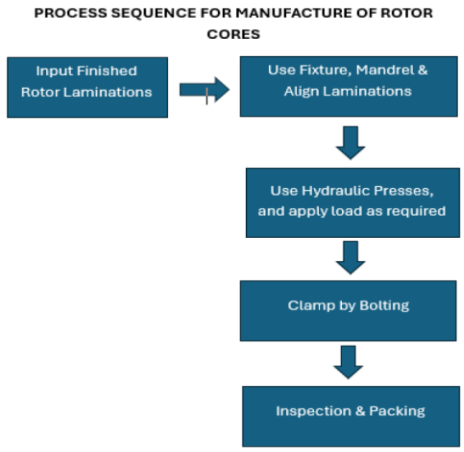
13 *"cleating" refers to a process of adding cleats or reinforcing strips to a component to provide additional strength, support, or attachment points*

14 *Welding is a fabrication process used to join materials, typically metals or thermoplastics, together by melting and fusing them. This process involves applying heat to the materials to be joined, often along with the addition of a filler material, to create a strong and permanent bond between the parts.*

15 *Die casting is a manufacturing process that involves injecting molten metal, typically aluminum or zinc-based alloys, into a mold cavity under high pressure.*





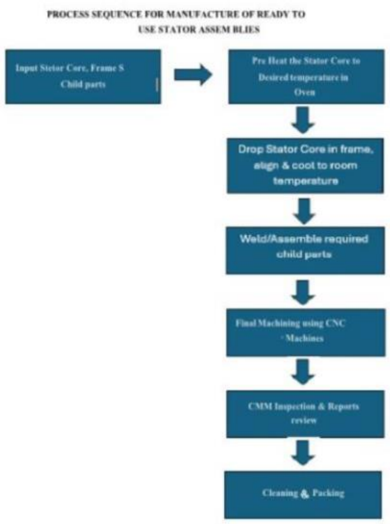
iii) *Manufacturing of stator frames or rotor shaft integrated assemblies*

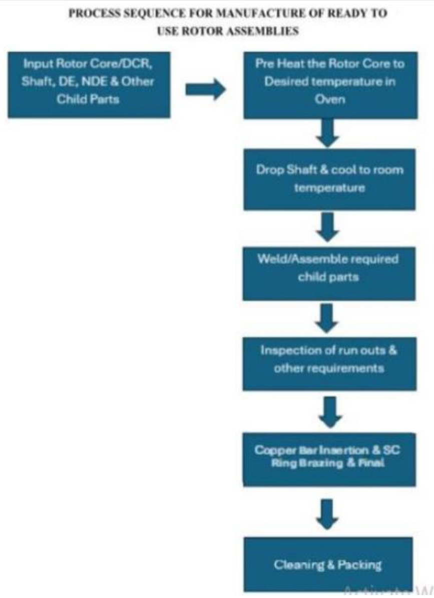
Stator cores are integrated within a frame, which is generally casted or fabricated in-house, to create a complete, ready for winding, motor or generator unit. The integration typically occurs through the following steps:

a) Positioning: The stator core, consisting of stacked laminations, is positioned within the frame or housing in a predetermined orientation. The stator core is typically centered within the frame and aligned with other components such as bearings and shafts.

b) Core dropping : The stator core may be dropped in to the frame using various methods such as Shrink fitting, Subsequently welding to the frame, foot and other child parts as required. Stator core with frame will be machined on CNC machining centers.

Similarly, rotor cores are mounted onto shafts using methods such as press fitting, shrink fitting, keyway fitting, or adhesive bonding.





Machined Components:

Set forth below is a brief description of the key manufacturing processes involved in the manufacturing of the machined components at our manufacturing facilities:

i) Casting process:

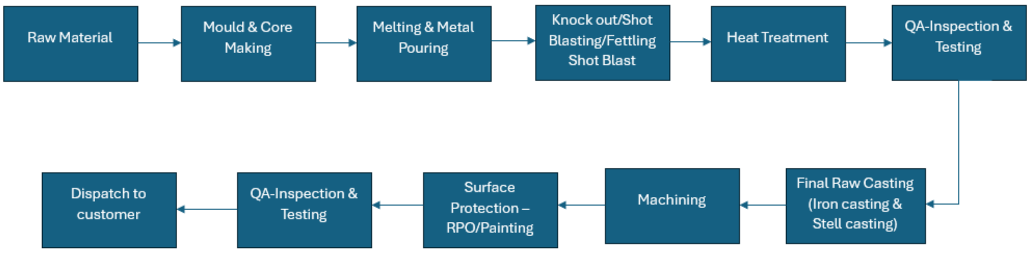
a) Mould Preparation: A mould is made by placing the pattern into a container called a flask and filling it with sand. The sand is packed tightly around the pattern to create a mold cavity that matches the shape of the desired part. Multiple-piece molds may be used for complex shapes or parts with internal features.

b) Melting and Metal pouring: Molten metal is poured into the mold cavity through a sprue, which is a channel connected to the mold cavity. The material fills the cavity and takes on the shape of the part.

c) Knock-out/Fettling: After the casting has solidified and cooled, the sand is removed to reveal the rough casting. Surface imperfections, such as flash, burrs,etc. may be present on the casting . Fettling involves removing of these using techniques such as grinding, filing, or machining to achieve a smooth surface finish.

d) Heat treatment: Heat treatment of castings is a process used to enhance the physical and mechanical properties of the metal in order to achieve desired characteristics such as improved hardness, strength, toughness, and dimensional stability.

The manufacturing of raw iron and steel casting is undertaken by our Promoter-held group company, Pitti Castings Private Limited.



ii) *Fabrication:* Fabricating in manufacturing refers to the process of shaping, forming, or assembling materials into finished products or components. It involves various techniques and operations to transform raw materials into usable parts or products. Fabricating encompasses a wide range of manufacturing processes, including cutting, bending, welding, machining, and assembly, among others.

A) Cutting: Cutting involves separating or removing material from a workpiece to achieve the desired shape or size. Common cutting methods include sawing, shearing, laser cutting, plasma cutting, and waterjet cutting.

B) Forming/rolling: Forming processes are used to shape materials into specific geometries or configurations. This may involve bending, stamping, rolling, or forging the material using specialized equipment and tooling.

C) Welding: Welding is the process of joining two or more pieces of metal together by heating them to the point of melting and then fusing them together using pressure or filler material.

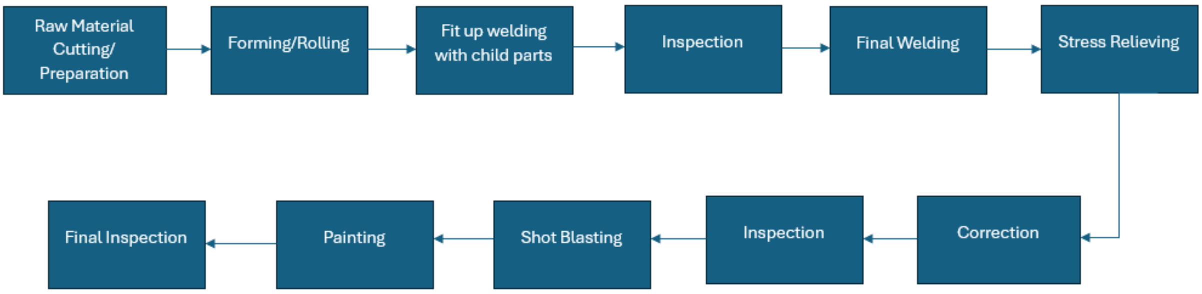
D) Fit up welding - Using fit up fixtures, all child parts are kept in an upright position and tack weld. All the assembly dimensions are then inspected.

E) Full/final welding- Complete welding is done as per the specified drawing and sequence.

F) Correction and inspection,

G) Shot blasting and painting.

H) Final inspection



iii) *Machining*: The fabricated or casted components or shafts are then subject to a series of in-house machining procedures such shaping, cutting, drilling, or finishing materials using specialized machines and tools to create precise and accurate parts or components.

OUR MANUFACTURING FACILITIES

As of the date of this Preliminary Placement Document, we have six manufacturing facilities which include three facilities located in Telangana, one located in Maharashtra and the recently acquired facilities in Tumkur, Karnataka. The following tables highlights certain key characteristics of our existing manufacturing facilities:

Location	Plot Area	Installed Capacity as of March 31, 2024^	Product lines
Pitti Engineering Limited			
Survey No.1603 and 1607, Nandigaon Village & Mandal, Kothur, Ranga Reddy District	6.00 acres 24 Guntas	Nil#	• Components & assemblies for rotating electrical equipment. • Machined components
Survey No.1837 & 1838, Jingoniguda Road, Nandigaon Village & Mandal, Ranga Reddy District – 509223, Telangana, India	9 acres 27 Guntas**	56,000 MT and 4,60,800 machine hours.	
Survey No.1837, Jingoniguda Road, Nandigaon Village & Mandal, Ranga Reddy District – 509223, Telangana, India	1 acre 31 Guntas***		
Gut No. 194, 195,183,191,182 (Part of), Village Limbe Jalgaon, Tal. Gangapur Mandal, Aurangabad Dist. 431 133 Maharashtra, India*	26 Acres 32 Guntas		
Bagadia Chaitra Industries Private Limited			
Address: Plot No. 7 & 8, KIADB Industrial Area, Vasanthanarasapura, 2nd Phase, Kora Hobli, Tumakura Taluk & District – 572 128 Karnataka, India	1.9529 Acre	16,000 MT	• Components & assemblies for rotating electrical equipment.
Address: 572/128 India, KIADB PLOT NO. 547, Vasanthanarasapura, Industrial Area, 2nd Phase, Yaldalu Village, Peenya Industrial Gases P ltd Kora, Tumakuru, Karnataka	1 acre****		

^ As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024. Please note that that the annual installed capacity is provided on a consolidated basis since our manufacturing operations are integrated across all facilities, with a single product being moved from one facility to another for undergoing various critical manufacturing processes.

**Our manufacturing facility in Aurangabad, Maharashtra has been accorded the "Megaproject" status by the Government of Maharashtra under the Package Scheme of Incentives, 2013 and has thereby been granted the following benefits:*

(i) Electrical duty exemption for a period of 7 years from the date of commencement of commercial production i.e. April 1, 2018.

(ii) 100% exemption from the payment of stamp duty.

(iii) Industrial promotion subsidy equivalent to 100% of eligible investment.

*** Includes lease hold land of 3 Acres 38 Guntas owned by one of our Promoter, Sharad B. Pitti*

****Owned by our Promoter, Sharad B. Pitti*

*****Acquired on leasehold basis*

#The facility is currenty inactive and is in the process of being operationalized.

Further, the details of the foundry unit owned by our promoter-led company, PCPL, which is going to be amalgamted with our Company, is set forth below:

Location	Plot Area	Installed Capacity as of March 31, 2024*	Product lines
Survey no. 53, Macharam Village, Balanagar Mandal, Mehaboob Nagar District, Telangana - 509202	12 Acres 24 Guntas	14,400 MT	Iron and Steel Castings

** As certified by Mr. Pathireddi RamaPrasad Reddy, P&M Chartered Engineer associated with GVR Corporate Services Private Limited, by certificate dated July 8, 2024.*

Installed Capacity, Actual Production and Capacity Utilisation

The information relating to the annual installed capacity, actual production and capacity utilisation of our products included below and elsewhere in this Preliminary Placement Document are based on various assumptions and estimates of our management that have been taken into account in the calculation of our capacity and the same has been certified by Pathireddi Ramaprasad Reddy, P&M Chartered Engineer associated with GVR Corporate Services Private Limited. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facilities included in this Preliminary Placement Document. For futher details, see "*Risk Factors- Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.*" on page 59.

(*Rest of the page is intentionally left blank*)

- The following table sets forth the installed capacity, actual production and utilization for manufacturing facilities of our Company and its subsidiaries, for the periods indicated:

Pitti Engineering Limited

Product Type	UOM	2024			2023			2022		
		Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)
Components & assemblies for rotating electrical equipment	MT	56,000	40,850	72.95%	502,00	35,803	71.32%	46,000	32,080	69.74%
Machined Components	No. of hours	4,60,800	4,16,876	90.47%	4,60,800	3,42,467	74.32%	4,03,200	3,07,682	76.31%

Bagadia Chaitra Industries Private Limited

Product Type	UOM	2024			2023			2022		
		Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)
Components & assemblies for rotating electrical equipment	MT	16,000	13,493	84.33%	14,000	12,240	87.43%	12,000	10,412	86.77%

- The following table sets forth the installed capacity, actual production and utilization for manufacturing facilities of Pitti Castings Private Limited, our group company, for the periods indicated:

Product Type	UOM	2024			2023			2022		
		Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)	Annual Installed Capacity	Annual Actual Production	Capacity Utilization (%)
Castings	MT	14,400	9,377	65.12%	14,400	7,990	55.49%	14,400	8,071	56.05%

Our Customers

We have a well-diversified customer base spread across 8 countries. We have strong and long-established relationships with a number of our customers. We believe our customer relationships are led primarily on account of our ability to meet stringent specifications and customizations along with our strong technical competencies. We are committed to developing and maintaining long-term relationships with our customers through frequent interactions and follow-ups.

Raw Materials and Suppliers

Our primary raw material is steel. We typically procure raw materials from our suppliers based on purchase orders. Our suppliers undergo a qualification process to ensure that the supplied raw materials are of satisfactory quality. We select our suppliers based on their performance, inventory control, production control and planning and quality system. In Fiscal 2024, 2023, and 2022, the cost of raw materials and components consumed was ₹ 80,040.96 lakhs, ₹ 78,143.23 lakhs and ₹ 69,425.51 lakhs, respectively, which represented 66.61%, 71.03% and 72.79% of our revenue from operations for the respective Fiscals. Further, Fiscal 2024, 2023, and 2022, cost of raw material sourced from our top supplier was ₹26,263.94 lakhs, ₹ 24,986.10 lakhs and ₹21,431.91 lakhs, respectively, which represented 21.86%, 22.71% and 22.47% of our revenue from operations for the respective Fiscals. For further information, see "*Risk Factors – We depend on a few suppliers for the supply of electrical steel, our primary raw material. Further, we do not have long-term supply agreements with our suppliers for the supply of electrical steel. Any disruption in the supply of raw materials or failure of our suppliers to meet their obligations could impact our production and increase our costs.*" on page 38.

Quality Assurance and Quality Control

In our product verticals, maintaining strict quality standards is crucial to avoid defects and non-compliance with customer design specifications. Any such issues could result in order cancellations and damage to our reputation. To ensure compliance with quality standards and customer requirements, we have implemented a quality control mechanism. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages. Additionally, representatives from our customers inspect our manufacturing facilities and processes to ensure compliance with their specific requirements. For further information, see "*Risk Factors – We are subject to strict quality requirements and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation, our business, cashflow and results of operations and future prospects.*" on page 47. Our manufacturing facilities have been certified in accordance with international standards of quality management systems such as IATF 16949:2016 and ISO 9001:2015 and environmental management systems such as ISO 14001:2015.

Health and Employee Safety

We carry out our activities while following appropriate standards of work safety and our working conditions seek to promote a healthy and safe work environment. We have taken initiatives to reduce the risk of accidents and at our manufacturing facilities, including ensuring that employee safety manuals covering employee safety are in place, preparing emergency mock drills and procedures to ensure that there will be an appropriate response to unexpected or accidental incidents, and providing training and awareness programs on employee safety to all employees.

Information Technology

Our design and engineering facilities comprise IT enabled processes such as computer aided design, computer aided manufacturing and computer aided engineering facilities and design software. We have implemented SAP platforms encompassing business functions including production, materials, finance, inventory, maintenance, and human resource management. We make efforts to consistently upgrade our systems to ensure efficiency and business continuity. For further information on risks related to our information technology, see "*Risk Factors – Failure or disruption of our information and technology ("IT") and/ or enterprise resources planning systems may adversely affect our business, financial condition, results of operations and future prospects.*" on page 45.

Insurance

We maintain insurance cover for our properties, including protection from fire, burglary and theft. In addition, we maintain marine sales turnover insurance policy, commercial general liability insurance, money insurance policy, crime cum cyber insurance, error and omissions liability insurance policy and insurance policies covering directors' and officers' liability. We believe that our insurance coverage is in accordance with industry custom, . However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. For further information on risks related to our insurance policies, see "*Risk Factors – Our insurance coverage may be inadequate to satisfy future claims against us*" on page 64.

Our Properties

Our Registered Office is located at 6 / 3 / 648 / 401, 4th Floor, Padmaja Landmark, Somajiguda, Hyderabad, Telangana, 500082. The land on which our Registered and Corporate Office is located is owned by our Promoter, Sharad B. Pitti, and a member of the Promoter Group, Madhuri S. Pitti. Similarly, the land on which one of our manufacturing facilities in Nandigaon, Telangana is located is leased to us by our Promoter, Sharad B. Pitti. We have also leased a portion of the land occupied by another Nandigaon facility from Sharad B. Pitti. Further, our subsidiary, Bagadia Chaitra Industries Private Limited has also acquired one of its facilities, situated in Tumkur, Karnataka on a leasehold basis. For further details, see "*Our Business- Our Manufacturing Facilities*" on page 193.

Intellectual Property

As of the date of this Preliminary Placement Document, our Company does not have any registered trademarks. For risks associated with our intellectual property, refer to "*Risk Factors – We have no registered trademarks or intellectual property rights and may thereby be unable to adequately protect our intellectual property and be subject to risks of infringement claims. Furthermore, as of the date of this Preliminary Placement Document, our application for trademark of our name and logo remains pending. We cannot assure you that such registration will be granted in a timely manner or at all.*" on page 61.

ORGANISATIONAL STRUCTURE

Corporate History

Our Company was incorporated as 'Pitti Laminations Private Limited' on September 17, 1983, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh. Our Company became a public limited company, and the name of our Company was changed to 'Pitti Laminations Limited' pursuant to a fresh certificate of incorporation consequent on change of name dated December 29, 1992, issued by the Registrar of Companies, Andhra Pradesh. Further, the name was changed to 'Pitti Engineering Limited'pursuant to which a fresh certificate of incorporation was issued upon change of name on May 8, 2018, by the Registrar of Companies, Telangana at Hyderabad. The registration number of our Company is 4141 and our CIN is L29253TG1983PLC004141.

Changes in Registered Office

The address of the registered office of the Company was changed from 1-7-1054, Industrial Area, Azamabad, Hyderabad to 6-3-648/2, Somajiguda, Hyderabad – 500 004, with effect from October 16, 1983. Our registered office was further shifted to 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India, with effect from October 16, 2002.

Our Subsidiaries

As on the date of this Preliminary Placement Document, our Company has two Subsidiaries namely, Pitti Rail and Engineering Components Limited^ and Bagadia Chaitra Industries Private Limited ("**BCIPL**") * .

^ *Our Company has filed a scheme of amalgamation amongst Pitti Castings Private Limited ("**PCPL**") and Pitti Rail and Engineering Components Limited ("**PRECL**") (a wholly owned subsidiary of our Company) and our Company and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with the rules framed thereunder ("**Scheme**"), pursuant to which, PCPL and PRECL will be amalgamated in our Company. As on the date of this Preliminary Placement Document, the Scheme is subject to necessary statutory/regulatory approvals under applicable laws, including approval of National Company Law Tribunal, Bench at Hyderabad.*

* *Pursuant to share purchase agreement dated March 11, 2024 read with amendment agreement dated May 3, 2024, entered between our Company, Chaitra Sundaresh, Ronak S Bagadia and Bagadia Chaitra Industries Private Limited, our Company has acquired 30,94,200 equity shares of face value of ₹ 10 each representing 100.00% of the paid-up equity share capital of BCIPL. For details, see "Our Business" on page 174.*

Our Associates and Joint Ventures

As on date of this Preliminary Placement Document, our Company does not have any associate company or joint ventures.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum of Association and the Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association require that our Board of Directors shall comprise not less than 3 Directors and not more than 12 Directors, unless otherwise determined by the Company in a general meeting.

The composition of the Board is in conformity with Section 149 of the Companies Act, 2013, as amended and Regulation 17 of the SEBI Listing Regulations. As on date, the Board comprises of the 8 Directors, including 2 Executive Directors (includes the Managing Director and Whole-time Director) and 6 Independent Directors, of which 1 is woman Independent Director.

The following table sets forth details of our Board of Directors as of the date of this Preliminary Placement Document:

Name, occupation, date of birth, term of appointment, DIN and nationality	Age	Designation	Address
Sharad Badrivishal Pitti Occupation: Business Date of birth: July 11, 1957 Term: Fixed term for a period of five years with effect from May 1, 2022, liable to retire by rotation DIN: 00078716 Nationality: Indian	66	Founder & Chairman (Whole-time Director)*	6-3-648, Moti Bhavan, Somajiguda, Hyderabad – 500 082
Akshay Sharad Pitti Occupation: Business Date of birth: October 28, 1985 Term: Fixed term for a period of five years with effect from May 15, 2024, liable to retire by rotation DIN: 00078760 Nationality: Indian	38	Managing Director & Chief Executive Officer	6-3-648, Moti Bhavan, Somajiguda, Hyderabad – 500 082
Vijaya Kumar Gummalla Occupation: Advocate Date of birth: October 23, 1955 Term: Fixed term for a period of five years from September 22, 2019 DIN: 00780356 Nationality: Indian	68	Independent Director	6-3-609/32/A, 1st Floor Anand Nagar Colony Khairtabad, Hyderabad – 500 004
Ganti Nagabhushan Rao Occupation: Self employed Date of birth: May 14, 1949	75	Independent Director	Plot No. 45, Apurupa, FNO 101-201 Huda Heights, Road No.12, MLA Colony, Banjara Hills, Hyderabad - 500 034

Name, occupation, date of birth, term of appointment, DIN and nationality	Age	Designation	Address
Term: Fixed term for a period of five years from September 22, 2019 DIN: 00021592 Nationality: Indian			
Gopala Krishna Muddusetty Occupation: Retired IAS Officer Date of birth: January 12, 1939 Term: Fixed term for a period of five years from September 22, 2019 DIN: 00088454 Nationality: Indian	85	Independent Director	12-2-823/A/23, Santoshnagar, Mehdipatnam, Hyderabad – 500 082
Comal Ramachandran Gayathri Occupation: Retired Date of birth: September 27, 1948 Term: Fixed term for a period of five years from September 22, 2019 DIN: 02872723 Nationality: Indian	75	Independent Director	New No. 83, Old No. 46, Chamiers Road, Raja Annamalaipuram, Chennai -600028
Swaminathan Thiagarajan Occupation: Partner, M/s. Ramamoorthy (N) & Co, Chartered Accountants Date of birth: December 30, 1954 Term: Fixed term for a period of five years from April 24, 2020 DIN: 02721001 Nationality: Indian	69	Independent Director	FNo.203, H.no. 13-6-429/ P No.21 - 22, Mythri Residency, Kanaka Durga Colony, Ring Road, Karwan, Hyderabad - 500 006
Yogender Bahadur Sahgal Occupation: Retired Date of birth: October 4, 1954 Term: Fixed term for a period of five years from November 9, 2023 DIN: 01622420 Nationality: Indian	69	Independent Director	5-9-211/1, Chirag Ali Lane, Nampally, Hyderabad – 500 001

** Pursuant to Board resolution dated May 15, 2024, and a special resolution passed by the Shareholders of our Company dated June 13, 2024, the designation of Sharad Badrivishal Pitti has been changed from Chairman & Managing Director to Founder & Chairman (Whole-time Director)*

Relationship with other Directors

Except for Sharad Badrivishal Pitti, who is the father of Akshay Sharad Pitti, none of the other Directors are related to each other.

Interests of Directors

Except as stated in "*Related Party Transactions*" on page 35, and to the extent of respective shareholding, remuneration, reimbursement of expenses and other benefits to which they are entitled as per their respective terms of appointment, our Directors do not have any other interest in our Company or its business. All our Directors may be deemed to be interested to the extent of fees payable to them for attending Board and/or Board committee meetings to the extent of reimbursement of expenses payable to them. Our Executive Directors may also be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Further, our Executive Directors, Sharad Badrivishal Pitti and Akshay Sharad Pitti may be considered to be interested to the extent of rent received by them for property leased to the Company and receipt of interest on unsecured loans granted by Akshay Sharad Pitti to the Company. For details, see "*Related Party Transactions*" on page 35.

Except for Sharad Badrivishal Pitti and Akshay Sharad Pitti, who are Promoters of our Company, none of our Directors have any interest in the promotion of our Company.

The Directors may also be deemed to be interested in any Equity Shares and also to the extent of any dividends payable to them in accordance with Companies Act, 2013 and other distributions in respect of the Equity Shares held by them, if any. All of the Directors may also be deemed to be interested in the Equity Shares allotted to their relatives or the companies, firms and trust, in which they are interested as directors, members, partners or trustees and to the extent of benefits arising out of such shareholding.

Except as stated in the chapter "*Financial Information*" on page 258 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners and there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which our Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding. As on the date of this Preliminary Placement Document, there are no outstanding loans to our Directors from our Company.

Shareholding of Directors

Our Articles of Association do not require our Directors to hold qualification shares. The following table sets forth the number of Equity Shares held by out Directors, as applicable, as on date of this Preliminary Placement Document:

S. No.	Name of Director	Designation	No. of Equity Shares	Percentage shareholding in our Company (%)
1.	Sharad Badrivishal Pitti	Founder & Chairman (Whole-time Director)	43,49,926	13.57
2.	Akshay Sharad Pitti	Managing Director & CEO	42,28,414	13.19
3.	Vijaya Kumar Gummalla	Independent Director	20	Negligible
4.	Ganti Nagabhushan Rao	Independent Director	1,600	0.01

Terms of appointment and remuneration of Executive Directors

Sharad Badrivishal Pitti

Sharad Badrivishal Pitti has been re-appointed as the Chairman & Managing Director for a period of five consecutive years with effect from May 1, 2022 to April 30, 2027, pursuant to the recommendation of our Nomination and Remuneration Committee dated April 11, 2022, a resolution of our Board dated April 11, 2022 and a resolution of our shareholders through postal ballot dated July 7, 2022. Further, Sharad Badrivishal Pitti has been re-designated from Chairman & Managing Director to Founder & Chairman (Whole-time Director) and with a revision in remuneration pursuant to the recommendation of our Nomination and Remuneration Committee dated May 14, 2024, board resolution dated May 15, 2024 and a resolution of our shareholders dated June 13, 2024. The total remuneration paid to Sharad Badrivishal Pitti for all services in all capacities to our Company for the Financial Year 2024 was ₹ 98.78 lakhs.

Akshay Sharad Pitti

Akshay Sharad Pitti has been re-appointed as the Managing Director & Chief Executive Director for a period of five consecutive years with effect from May 15, 2024 to May 14, 2029 with revision in remuneration, pursuant to the recommendation of our Nomination and Remuneration Committee dated May 14, 2024, a resolution of our Board dated May 15, 2024 and a resolution of our shareholders dated June 13, 2024. The total remuneration paid to Akshay Sharad Pitti for all services in all capacities to our Company for the Financial Year 2024 was ₹ 98.78 lakhs.

Remuneration of the Directors

A. Executive Directors

The following table set forth the remuneration paid by our Company to the Executive Directors during Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

Name of Directors	Fiscal 2024	Fiscal 2023	Fiscal 2022
Sharad Badrivishal Pitti*	98.78	98.78	98.78
Akshay Sharad Pitti^	98.78	98.78	98.78

**Constitutes salary of ₹ 98.78 lakhs.*
^ *Constitutes salary of ₹ 93.94 lakhs and benefit and allowances of ₹ 4.84 lakhs.*

B. Non-Executive Director and Independent Directors

Pursuant to the resolutions passed by the Board on May 15, 2024, the non-executive Directors and Independent Directors are entitled to receive a revised sitting fee of ₹ 1.00 lakh for attending each meeting of the Board and ₹ 0.50 lakhs for attending each meeting of the committees.

The following table sets forth the sitting fees paid by our Company to the Non-Executive Director and the Independent Directors, during the during Fiscals 2024, 2023 and 2022:

(in ₹ lakhs)

Name	Fiscal 2024	Fiscal 2023	Fiscal 2022
Vijaya Kumar Gummalla	7.25	6.75	6.25
Ganti Nagabhushan Rao	5.50	4.50	4.25
Gopala Krishna Muddusetty	4.50	4.00	3.25
Comal Ramachandran Gayathri	4.50	4.00	3.25
Swaminathan Thiagarajan	5.50	4.50	4.25
Yogender Bahadur Sahgal	1.50	-	-

Prohibition by SEBI or Other Governmental Authorities

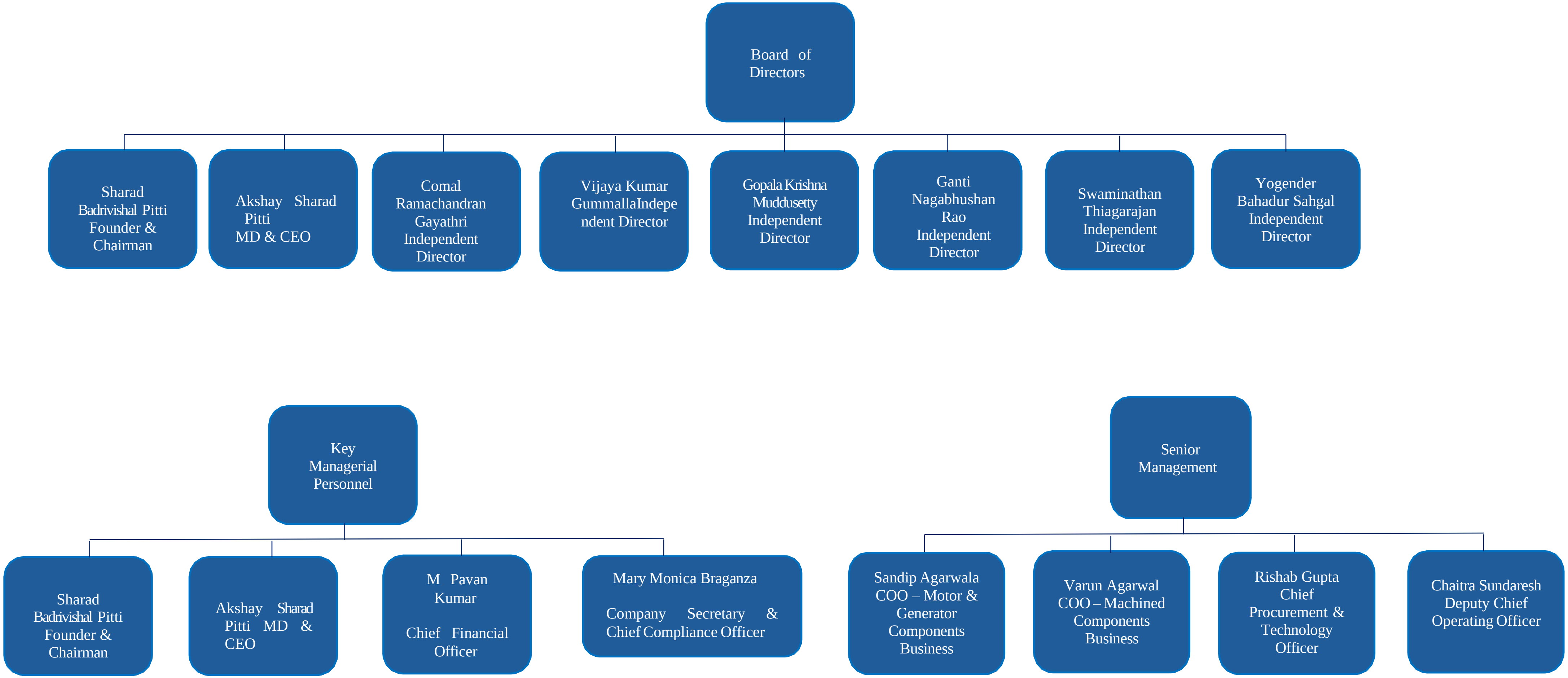
None of the Directors nor any of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

None of our Directors or Promoters have been declared as a 'fraudulent borrower' by lending banks or financial institutions or consortiums.

Borrowing Powers of the Board

In accordance with the Articles of Association, our Board of Directors has been empowered to borrow funds in accordance with applicable law. Pursuant to the special resolution dated March 26, 2022, passed by our Shareholders, our Board is authorized to borrow any sum or sums of money for and on behalf of our Company for the purpose of the business of our Company, from time to time from any one or more banks, financial institutions and other persons, firms, bodies corporate, as the Board may consider fit, provided that such or sums of monies so borrowed together with monies, if any, already borrowed by our Company (apart from the temporary loans obtained from our Company's bankers in the ordinary course of business) in excess of the aggregate of the paid up share capital of our Company and its free reserves and securities premium provided further that total amount up to which monies may be borrowed shall not exceed ₹ 85,000.00 lakhs, at any time. Our borrowing limits may be changed from time to time, subject to approval of the Board and our Shareholders

ORGANISATION CHART



Key Managerial Personnel

In addition to Sharad Badrivishal Pitti, our Founder & Chairman (Whole-time Director) and Akshay Sharad Pitti, our Managing Director & Chief Executive Director, whose details are set out in "- *Board of Directors*" on page 199, the details of our other Key Managerial Personnel are given below:

Name of the Key Managerial Personnel	Designation
M Pavankumar	Chief Financial Officer
Mary Monica Braganza	Company Secretary and Chief Compliance Officer

Senior Management Personnel

The details of our Senior Management Personnel are given below:

Name of the Senior Management Personnel	Designation
Sandip Agarwala	COO - Motor & Generator Components Business
Varun Agarwal	COO - Machined Components Business
Rishab Gupta	Chief Procurement & Technology Officer
Chaitra Sundaresh	Deputy Chief Operating Officer

As on the date of this Preliminary Placement Document, all of the Key Managerial Personnel and Senior Management Personnel of our Company are the permanent employees of our Company.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

Except as stated below, and at*"- Shareholding of the Directors in our Company"* none of our Key Managerial Personnel or Senior Management Personnel holds any Equity Shares as on date of this Preliminary Placement Document.

No.	Name of Key Managerial Personnel & Senior Management Personnel	No. of Equity Shares held	Percentage shareholding in our Company (%)
1.	Sandip Agarwala	30,456	0.10
2.	Rishab Gupta	9,901	0.03

Interest of Key Managerial Personnel and Senior Management Personnel

Except to the extent of Equity Shares held by the Key Managerial Personnel or Senior Management Personnel of our Company mentioned above and interests as disclosed under " *- Interests of Directors"* on page 201, and other than (a) remuneration or benefits to which they are entitled as per their terms of appointment or otherwise; (b) reimbursement of expenses incurred by them during the ordinary course of business; and (c) the Equity Shares held by them or their dependants in our Company, if any and any dividend payable to them and other distributions in respect of such Equity Shares, the Key Managerial Personnel or Senior Management Personnel do not have any interest in our Company.

There are no outstanding transactions, other than in the ordinary course of business undertaken by our Company in which the senior management personnel were interested parties.

None of the Key Management Personnel or Senior Management Personnel has taken any loans from our Company. Further, our Company has not availed any loans from the Key Management Personnel or the Senior Management Personnel which are currently outstanding.

None of our Key Management Personnel and Senior Management Personnel are related to each other.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management Personnel

Except for Akshay Sharad Pitti who is entitled to bonus/performance linked incentive/or commission based on certain performance criteria laid down by the Board and/or Nomination and Remuneration Committee, subject to the overall ceilings stipulated in Section 197 of the Companies Act, 2013 and other applicable laws, none of our Key Managerial Personnel or Senior Management Personnel is a party to any profit-sharing plan by our Company. However, certain of our Key Managerial Personnel and Senior Management Personnel are entitled to a variable pay which is based on their performance in our Company.

Corporate governance

Our Company is in compliance with the requirements with respect to the corporate governance provided in the SEBI Listing Regulations and the Companies Act, 2013, each as amended. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

The Board of Directors and committees of our Company are constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations, each as amended.

Committees of the Board

In terms of SEBI Listing Regulations and Companies Act, 2013, our Company has constituted the following committees of Directors namely:

(i) Audit Committee;
(ii) Nomination and Remuneration Committee;
(iii) Stakeholders' Relationship Committee;
(iv) Corporate Social Responsibility Committee; and
(v) Risk Management Committee.

The following table sets forth the details of the members of the aforesaid committees as of the date of this Preliminary Placement Document:

Committee	Name of the member	Capacity
Audit Committee	Swaminathan Thiagarajan	Chairperson
	Ganti Nagabhushan Rao	Member
	Vijaya Kumar Gummalla	Member
Nomination and Remuneration Committee	Gopala Krishna Muddusetty	Chairperson
	Comal Ramachandran Gayathri	Member
	Vijaya Kumar Gummalla	Member
Stakeholders' Relationship Committee	Comal Ramachandran Gayathri	Chairperson
	Gopala Krishna Muddusetty	Member
	Ganti Nagabhushan Rao	Member
	Swaminathan Thiagarajan	Member
Corporate Social Responsibility Committee	Sharad Badrivishal Pitti	Chairperson
	Akshay Sharad Pitti	Member
	Vijaya Kumar Gummalla	Member
Risk Management Committee	Vijaya Kumar Gummalla	Chairperson
	Akshay Sharad Pitti	Member
	Sandip Agarwala	Member

In addition to the above-mentioned committees, the Board has also constituted the Committee of Directors and Fund Raising Committee, to assist in discharging its functions. These Committees operates within the limit of authorities, as delegated by the Board of Directors.

Other confirmations

Except as disclosed in this Preliminary Placement Document, none of the Directors, promoters or senior management personnel of our Company have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company no any of our Directors or Promoter have been identified as Wilful Defaulters or as a Fraudulent Borrower, as defined under the SEBI ICDR Regulations. None of our Directors has been declared a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018. Neither our Company, nor any of our Directors or Promoters are prohibited or debarred from accessing capital markets under any order or direction made by SEBI.

None of our Directors have been associated as promoters, directors or persons in control with any companies which have been prohibited or debarred from accessing the capital market, under any order or direction passed by SEBI, Stock Exchanges or any other regulatory authority or court / tribunal within or outside India

No change in control in our Company will occur consequent to the Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscals, see "*Financial Information*" on page 258. These disclosures made are as per the requirements of Ind AS 24.

Employee Stock Option Plan

For the details of options granted under the ESOS Schemes, please see "*Capital Structure*" on page 86.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to formulate and implement a code of internal practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company has implemented an insider trading policy and code of practices and procedures for disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

SHAREHOLDING PATTERN

The following table sets forth the shareholding pattern of our Company as on March 31, 2024:

Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialised form (XIV)
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class eg: X	Class eg: y	Total								
A	Promoter & Promoter Group	5	1,90,01,227	0	0	1,90,01,227	59.29	1,90,01,227	0	1,90,01,227	59.29	0	59.29	0	0	38,89,060	20.47	1,90,01,227
B	Public	43,745	1,30,48,840	0	0	1,30,48,840	40.71	1,30,48,840	0	1,30,48,840	40.71	0	40.71	0	0	0	0	1,28,80,592
C	Non Promoter-Non Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C1	Shares underlying DRs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	**43,750**	**3,20,50,067**	**0**	**0**	**3,20,50,067**	**100.00**	**3,20,50,067**	**0**	**3,20,50,067**	**100.00**	**0**	**100.00**	**0**	**0**	**38,89,060**	**12.13**	**3,18,81,819**

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total shares held (b)	(XIV)
								Class X	Class Y	Total								
1	Indian																	
a	Individuals/Hindu undivided Family	4	1,03,53,960	0	0	1,03,53,960	32.31	1,03,53,960	0	1,03,53,960	32.31	0	32.31	0	0	38,89,060	37.56	1,03,53,960
	Sharad Badrivishal Pitti	1	43,49,926	0	0	43,49,926	13.57	43,49,926	0	43,49,926	13.57	0	13.57	0	0	19,59,549	45.05	43,49,926
	Akshay Sharad Pitti	1	42,28,414	0	0	42,28,414	13.19	42,28,414	0	42,28,414	13.19	0	13.19	0	0	19,29,511	45.63	42,28,414
	Madhuri Sharad Pitti	1	17,58,620	0	0	17,58,620	5.49	17,58,620	0	17,58,620	5.49	0	5.49	0	0	0	0	17,58,620
	Sharad B Pitti (HUF)	1	17,000	0	0	17,000	0.05	17,000	0	17,000	0.05	0	0.05	0	0	0	0	17,000
b	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Any Other (specify)	1	86,47,267	0	0	86,47,267	26.98	86,47,267	0	86,47,267	26.98	0	26.98	0	0	0	0	86,47,267
	Bodies Corporate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(1)	5	1,90,01,227	0	0	1,90,01,227	59.29	1,90,01,227	0	1,90,01,227	59.29	0	59.29	0	0	38,89,060	20.47	1,90,01,227
2	Foreign																	
a	Individuals (Non-Resident Individuals/	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Category	Category & Name of the Shareholders (I)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) as a % of A+B+C2	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total shares held (b)	(XIV)
								Class X	Class Y	Total								
	Foreign Individuals)																	
b	Government	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
d	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
e	Any Other (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (A)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**5**	**1,90,01,227**	**0**	**0**	**1,90,01,227**	**59.29**	**1,90,01,227**	**0**	**1,90,01,227**	**59.29**	**0**	**59.29**	**0**	**0**	**38,89,060**	**20.47**	**1,90,01,227**

Table III - Statement showing shareholding pattern of the Public shareholder

Category.	Category & Name of the Shareholders (I)	Nos. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
								Class X	Class Y	Total								
B1	Institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B2	Institutions (Domestic)																	
	Mutual Funds/	2	3,84,161	0	0	3,84,161	1.20	3,84,161	0	3,84,161	1.20	0	1.20	0	0	0	0	3,84,161
	Alternate Investment Funds	4	4,00,350	0	0	4,00,350	1.25	4,00,350	0	4,00,350	1.25	0	1.25	0	0	0	0	4,00,350
	Insurance Companies	2	10,99,599	0	0	10,99,599	3.43	10,99,599	0	10,99,599	3.43	0	3.43	0	0	0	0	10,99,599
	Kotak Mahindra Life Insurance Company Limited	1	5,99,599	0	0	5,99,599	1.87	5,99,599	0	5,99,599	1.87	0	1.87	0	0	0	0	5,99,599
	National Insurance Company Limited	1	5,00,000	0	0	5,00,000	1.56	5,00,000	0	5,00,000	1.56	0	1.56	0	0	0	0	5,00,000
	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(2)	8	18,84,110	0	0	18,84,110	5.88	18,84,110	0	18,84,110	5.88	0	5.88	0	0	0	0	18,84,110
B3	Institutions (Foreign)																	
	Foreign Portfolio Investors Category I	17	1,61,275	0	0	1,61,275	0.50	1,61,275	0	1,61,275	0.50	0	0.50	0	0	0	0	1,61,275
	Foreign Portfolio Investors Category II	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(3)	17	1,61,275	0	0	1,61,275	0.50	1,61,275	0	1,61,275	0.50	0	0.50	0	0	0	0	1,61,275
B4	Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-Total (B)(4)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
B5	Non-institutions																	
	Investor Education and Protection Fund (IEPF)	1	3,97,217	0	0	3,97,217	1.24	3,97,217	0	3,97,217	1.24	0	1.24	0	0	0	0	3,97,217

Category.	Category & Name of the Shareholders (I)	Nos. of share older (III)	No. of fully paid up equity share s held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held VII = IV+V+VI	Shareholding % calculate d as per SCRR, 1957 As a % of (A+B+C2) VIII	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shares held (b)	No. (Not applicable) (a)	As a % of total shares held (Not applicable) (b)	
								Class X	Class Y	Total								
	Investor Education and Protection Fund	1	3,97,217	0	0	3,97,217	1.24	3,97,217	0	3,97,217	1.24	0	1.24	0	0	0	0	3,97,217
	Resident Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	42,004	63,58,799	0	0	63,58,799	19.84	63,58,799	0	63,58,799	19.84	0	19.84	0	0	0	0	61,90,551
	Resident Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	14	16,64,700	0	0	16,64,700	5.19	16,64,700	0	16,64,700	5.19	0	5.19	0	0	0	0	16,64,700
	Atul Agarwal	1	4,00,000	0	0	4,00,000	1.25	4,00,000	0	4,00,000	1.25	0	1.25	0	0	0	0	4,00,000
	Non Resident Indians (NRIs)	1,000	4,74,788	0	0	4,74,788	1.48	4,74,788	0	4,74,788	1.48	0	1.48	0	0	0	0	4,74,788
	Bodies Corporate	185	17,03,512	0	0	17,03,512	5.32	17,03,512	0	17,03,512	5.32	0	5.32	0	0	0	0	17,03,512
	Any Other (specify)	516	4,04,439	0	0	4,04,439	1.26	4,04,439	0	4,04,439	1.26	0	1.26	0	0	0	0	4,04,439
	Trusts	2	200	0	0	200	0.00	200	0	200	0.00	0	0.00	0	0	0	0	200
	Independent Directors	2	1,620	0	0	1,620	0.01	1,620	0	1,620	0.01	0	0.01	0	0	0	0	1,620
	HUF	512	4,02,619	0	0	4,02,619	1.26	4,02,619	0	4,02,619	1.26	0	1.26	0	0	0	0	4,02,619
	Sub-Total (B)(5)	43,720	1,10,03,455	0	0	1,10,03,455	34.33	1,10,03,455	0	1,10,03,455	34.33	0	34.33	0	0	0	0	1,08,35,207
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)+(B)(4)+ +(B)(5)	**43,745**	**1,30,48,840**	**0**	**0**	**1,30,48,840**	**40.71**	**1,30,48,840**	**0**	**1,30,48,840**	**40.71**	**0**	**40.71**	**0**	**0**	**0**	**0**	**1,28,80,592**

Table IV - Statement showing shareholding pattern of the Non-Promoter - Non Public Shareholder

Category	Category & Name of the Shareholders (I)	No. of Shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total no. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)				No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV) (Not Applicable)
								No of Voting Rights			Total as a % of Total Voting rights			*No.*	*As a % of total Shares held*	*No. (Not applicable)*	*As a % of total shares held (Not applicable)*	
								Class X	Class Y	Total								
C1	Custodian/DR Holder	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Non-Promoter-Non Public Shareholding (C)= (C)(1)+(C)(2)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Book Running Lead Manager. Prospective Investors are advised to inform themselves of any restriction or limitation that may be applicable to them.

Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Selling Restrictions" *and* "Transfer Restrictions" *beginning on pages 230 and 237, respectively.*

Our Company, the Book Running Lead Manager and their respective directors, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Preliminary Placement Document.

Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Application Forms would not result in triggering a tender offer under the Takeover Regulations.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document and the Placement Document has not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 other applicable provisions of the Companies Act, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, a listed company in India may issue eligible securities to Eligible QIBs on a private placement basis provided that certain conditions are met by such Company. Some of these conditions are set out below:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;
- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;
- In accordance with SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be done in dematerialised form only;
- Promoters and Directors are not Fugitive Economic Offenders;

- the Directors are not declared as "Fraudulent Borrower" by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016;
- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;
- the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, except as permitted under the Companies Act;
- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;
- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;
- the Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and
- At least 10% of the Equity Shares issued to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Prospective purchasers were required to make certain representations, warranties and undertakings in order to participate in the Issue. Prospective purchasers are deemed to have represented to us and the Book Running Lead Manager in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For details, see sections entitled "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 3, 230 and 237, respectively of this Preliminary Placement Document.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated May 15, 2024 and our Shareholders through a special resolution on June 13, 2024, have authorised our Board to decide the quantum of discount up to 5% of the Floor Price at the time of determination of the Issue Price.

The "relevant date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares must be allotted within 12 months from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of Allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*Bid Process - Application Form*" on page 221.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on May 15, 2024, and our Shareholders by way of a special resolution dated on June 13, 2024 at the EGM.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where those offers and sales are made.

Issue Procedure

1. On the Issue Opening Date, our Company in consultation with the BRLM shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(3) of the Companies Act, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and PAS Rules.

2. **The list of Eligible QIBs to whom the Application Form and serially numbered Preliminary Placement Document have been delivered shall be determined by our Company in consultation with the BRLM. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount**

is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLM. Application Form may be signed physically or digitally, if required under applicable laws in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable laws. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Application Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 1, 3, 214, 230, and 237, respectively, which will be incorporated by reference; details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue; and

   - it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document.

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and it has agreed to certain other representations set forth in this Preliminary Placement Document and in the Application Form.

NOTE**:** *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Bidders shall be required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"Pitti Engineering Limited – QIP – Escrow Account*" with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 226.

6. Once a duly completed Application Form is submitted by a Bidder and the Bid Amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form. In case of Bids being made on behalf of the Eligible QIB where the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

7. The Bidder acknowledges that in accordance with the requirement of the Companies Act, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are allocated to it.

8. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with BRLM determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLM, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLM.**

9. Upon determination of the Issue Price and before Allotment of Equity Shares to the Successful Bidders, the BRLM, shall, on our behalf, send a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective

Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLM shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

16. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Eligible QIBs

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - Eligible FPIs;
    - insurance companies registered with the Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;
    - insurance funds set up and managed by the Department of Posts, India.
    - multilateral and bilateral development financial institutions eligible to invest in India;
    - Mutual Funds, VCFs, AIFs registered with SEBI;
    - pension funds with minimum corpus of ₹ 2,500 lakhs registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
    - provident funds with minimum corpus of ₹ 2,500 lakhs;
    - public financial institutions as defined under Section 2(72) of the Companies Act;
    - scheduled commercial banks;
    - state industrial development corporations;
    - systemically important non-banking financial companies;
    - the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and

subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control shall be treated as part of the same investor group) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital and the total holding of all FPIs, collectively, shall be below 24% of the paid-up equity share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 230 and 237, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the promoters:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoters.

Our Company, the BRLM and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, that may occur after the date of this Preliminary Placement Document.

Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLM who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLM in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Transfer Restrictions"* on pages 1, 3, 230 and 237, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the BRLM. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Bidder acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLM.

12. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary(ies) or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Bidders acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price.

14. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

15. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations.

16. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLM, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLM TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLM, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLM) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLM either through electronic form or through physical delivery at the following address:

Name	Address	Contact Person	Website and e-mail	Phone (Telephone)
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower Rahimtullah Sayani Road Opposite Parel ST Depot Prabhadevi, Mumbai - 400 025 Maharashtra, India	Kunal Thakkar/ Ritu Sharma	Website: https://www.motilaloswalgroup.com/ E-mail: pitti.qip@motilaloswal.com	+91 22 7193 4380

The BRLM shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed, and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of "*Pitti Engineering Limited - QIP - Escrow Account"* with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder will be required to deposit the entire Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments are to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form is liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in "*Pitti Engineering Limited - QIP - Escrow Account*" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "- *Refunds*" on page 226.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated June 13, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLM, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLM. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLM.

Method of Allocation

Our Company shall determine the Allocation in consultation with the BRLM on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLM has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLM IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLM AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLM ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLM, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLM.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that we are unable to issue, and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the

Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of, the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/BRLM as soon as practicable.

Permanent Account Number or PAN

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLM, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLM in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 221 and 226 respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLM shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares

Placement Agreement

The Book Running Lead Manager and the Company have entered into a placement agreement dated July 8, 2024 (the "**Placement Agreement**"), pursuant to which the Book Running Lead Manager has agreed, subject to certain conditions, to use its reasonable efforts to procure Eligible QIBs to subscribe to such number of our Equity Shares as may be agreed among the Company and Book Running Lead Manager, pursuant to Chapter VI of the SEBI ICDR Regulations, the Companies Act read with the PAS Rules, as amended and other applicable provisions of the Companies Act and the rules made thereunder

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. This Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than to Eligible QIBs.

In connection with the Issue, the Book Running Lead Manager and its affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" beginning on page 8.

From time to time, the Book Running Lead Manager and its affiliates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, our Subsidiaries, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates.

Lock-up

The Company will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Share (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of Equity Shares; or (c) publicly announce any intention to enter into any transaction described in (a) or (b) above, whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares pursuant to the Issue; and (ii) any transaction required by law or an order of a court of law or a statutory authority.

Our Promoters and each member of the Promoter Group, has undertaken that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above.

SELLING RESTRICTIONS

General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Transfer Restrictions*" on beginning on pages 1, 3 and 237, respectively.

Republic of India

This Preliminary Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made.

Bahrain

This Preliminary Placement Document may only be distributed to Accredited Investors as defined by the Central Bank of Bahrain and the Equity Shares offered in the Issue may be offered and sold only to Accredited Investors as defined by the Central Bank of Bahrain by way of private placement in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to purchase the Equity Shares in the Issue may be to the public in the Kingdom of Bahrain and this Preliminary Placement Document may not be issued, passed to, or made available to the public generally.

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document or the performance of the Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein.

Cayman Islands

No offer or invitation to subscribe for the Equity Shares offered in the Issue may be made to the public in the Cayman Islands.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "**Prospectus Regulation**"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;

- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Manager for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Book Running Lead Manager of such fact in writing and has received the consent of the Book Running Lead Manager in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Manager has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

This Preliminary Placement Document has not been reviewed or approved by any regulatory authority in Hong Kong. In particular, this Preliminary Placement Document has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Preliminary Placement Document, they should obtain independent professional advice.

This Preliminary Placement Document does not constitute an offer or invitation to the public in Hong Kong to acquire any Equity Shares nor an advertisement of the Equity Shares in Hong Kong. This Preliminary Placement Document must not be issued, circulated or distributed in Hong Kong other than:

(a) to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

(b) in other circumstances which do not result in this Preliminary Placement Document being a prospectus as defined in the CO nor constitute an offer to the public which requires authorization by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Preliminary Placement Document may issue, circulate or distribute this Preliminary Placement Document in Hong Kong or make or give a copy of this Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Equity Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

Japan

No securities registration statement in relation to the solicitations of the Equity Shares offered in the Issue in Japan (the "**Solicitations**") has been or will be filed pursuant to Article 4, Paragraph 1 of the Financial Instrument and Exchange Law of Japan (the "**FIEL**"). The Solicitations shall only be made (i) to Qualified Institutional Investors and (ii) to no more than 49 persons (excluding any Qualified Institutional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Any Qualified Institutional Investors who acquire Equity Shares in the Issue (a) may not, directly or indirectly, resell, assign, transfer, or otherwise dispose of the Equity Shares to any person in Japan or to or for the benefit of any resident of Japan, including any corporation or other entity organised under the laws of Japan, except to Qualified Institutional Investors; and (b) shall deliver a notification indicating (a) and (b) herein to any transferee of the Equity Shares.

Capitalized terms used in this sub-section and not defined in this Preliminary Placement Document have the meanings given to those terms in the FIEL.

Kuwait

This Preliminary Placement Document has not been licensed for the offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares offered in the Issue in the State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of securities in the State of Kuwait ("**Kuwait Securities Laws**"). Therefore, in accordance with the Kuwait Securities Laws, no private or public offering of the Equity Shares is or will be made in the State of Kuwait, no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the Equity Shares offered in the Issue may be made to the public in Mauritius without, amongst other things, the prior approval of the Mauritius Financial Services Commission. This Preliminary Placement Document has not been approved or registered by the Mauritius Financial Services Commission. Accordingly, this Preliminary Placement Document does not constitute a public offering. This Preliminary Placement Document is for the exclusive use of the person to whom it has been given by the Book Running Lead Manager and is a private concern between the sender and the recipient.

Oman

This Preliminary Placement Document does not constitute an offer to sell or the solicitation of any offer to buy non-Omani securities in the Sultanate of Oman. This Preliminary Placement Document is strictly private and confidential and is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of the Sultanate of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient.

This Preliminary Placement Document has not been approved by the Capital Market Authority of Oman (the "**CMA**") or any other regulatory body or authority in the Sultanate of Oman ("**Oman**"), nor has the Book Running Lead Manager received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute the Equity Shares in Oman.

No marketing, offering, selling or distribution of any Equity Shares has been or will be made from within Oman and no subscription for any Equity Shares may or will be consummated within Oman. The Book Running Lead Manager is not a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. The Book Running Lead Manager does not advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

The Equity Shares offered in the Issue have not and will not be listed on any stock exchange in the Sultanate of Oman.

Nothing contained in this Preliminary Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Preliminary Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar (excluding the Qatar Financial Centre)

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or an offer of Equity Shares in the State of Qatar and accordingly should not be construed as such. The Equity Shares offered in the Issue have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of the Equity Shares in the State of Qatar.

By receiving this Preliminary Placement Document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, or any other authority or agency in the State of Qatar; (b) our Company and the Book Running Lead Manager are not authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Issue has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Our Company and the Book Running Lead Manager are not, by distributing this Preliminary Placement Document, advising individuals resident in the State of Qatar as to the appropriateness of purchasing Equity Shares in the Issue. Nothing contained in this Preliminary Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar Financial Centre

This Preliminary Placement Document does not, and is not intended to, constitute an invitation or offer of Equity Shares from or within the Qatar Financial Centre ("**QFC**"), and accordingly should not be construed as such. This Preliminary Placement Document has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Preliminary Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. Our Company has not been approved or licenced by or registered with any licensing authorities within the QFC.

Singapore

This Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Equity Shares offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this Preliminary Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Equity Shares be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section

274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), our Company has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA) that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea (Republic of Korea)

No securities registration statement in relation to the Solicitations (as defined under Financial Investment Services and Capital Markets Act of the Republic of Korea ("**South Korea**") (the "**FISCMA**")) of the Equity Shares offered in the Issue in South Korea has been or will be filed pursuant to the FISCMA. The Solicitations shall only be made (i) to certain professionals as prescribed in the FISCMA and the enforcement decree promulgated thereunder ("**Professional Investors**") and (ii) to no more than 49 persons (excluding any Professional Investors) during the six-month period prior to the contemplated date of the allotment of the Equity Shares in the Issue.

Furthermore, the Equity Shares may not be offered, sold, transferred or delivered for reoffering or resale, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident (as defined under the Foreign Exchange Transactions Act of South Korea and the decree, rules and regulations promulgated thereunder) thereof for a period of one year from the date of the issuance of the Equity Shares, except as otherwise permitted under applicable South Korean laws and regulations.

Switzerland

The offering of the Equity Shares offered in the Issue in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") because such offering in Switzerland is directed only at investors classified as "professional clients" within the meaning of the FinSA and the Equity Shares offered in the Offer will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This document does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the Issue.

No key information document under article 58 of the FinSA or article 59(2) of the FinSA in respect of the Issue has been prepared and published. Accordingly, the Equity Shares offered in the Issue may not be offered to "private clients" within the meaning of the FinSA in Switzerland.

Each person in Switzerland who acquires Equity Shares in the Issue shall be deemed to have represented to our Company and the Book Running Lead Manager that it is a "professional client" within the meaning of the FinSA and that it has not opted-in to be treated as a "private client" on the basis of article 5(5) of the FinSA.

This document is not intended to constitute an advertising document within the meaning of article 68 of the FinSA and article 95 of the Swiss Federal Financial Services Ordinance.

The Equity Shares do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and are not licensed by the Swiss Financial Market Supervisory Authority ("**FINMA**") thereunder. Accordingly, neither the Equity Shares nor the Shareholders benefit from protection under the Swiss Federal Act on Collective Investment Schemes or supervision by FINMA.

United Arab Emirates (excluding the Dubai International Financial Centre)

No offering, marketing, promotion, advertising or distribution (collectively, "**Promotion"**) of this Preliminary Placement Document or the Equity Shares may be made in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE.

The Promotion of this Preliminary Placement Document and the Equity Shares has not been and will not be approved by the SCA and, as such, this Preliminary Placement Document does not constitute an offer to the general public in the UAE to acquire any Equity Shares. Except where the Promotion of this Preliminary Placement Document and the Equity Shares is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE, the Promotion of this Preliminary Placement Document and the Equity Shares in the UAE is being made only to Qualified Investors who are not High Net Worth Individuals (as such terms are defined in the Promotion and Introduction Regulations).

None of the SCA, the Central Bank of the United Arab Emirates or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document and nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

Dubai International Financial Centre

The Equity Shares offered in the Issue are not being offered to any persons in the Dubai International Financial Centre except on that basis that an offer is: (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) (the "**Markets Rules**") adopted by the Dubai Financial Services Authority (the "**DFSA**"); and (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook and are not natural Persons. This Preliminary Placement Document must not be delivered to, or relied on by, any other person. The DFSA has not approved this Preliminary Placement Document nor taken steps to verify the information set out in it and has no responsibility for it. Capitalised terms not otherwise defined in this Preliminary Placement Document have the meaning given to those terms in the Markets Rules.

The Equity Shares may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Equity Shares offered in the Issue should conduct their own due diligence on the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Manager for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require our Company or the Book Running Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Preliminary Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Preliminary

Placement Document is directed only at relevant persons. Other persons should not act on this Preliminary Placement Document or any of its contents. This Preliminary Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. To help ensure compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and agreements set forth in "*Transfer Restrictions*" on page 237. The Equity Shares purchased in the Issue are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" on page 237.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares offered in the Issue within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the U.S. Securities Act.

Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**") and has not been lodged with the Australian Securities and Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Preliminary Placement Document and nothing in this Preliminary Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Preliminary Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Preliminary Placement Document, or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Book Running Lead Manager or any of its affiliates is the holder of an Australian Financial Services Licence.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Allottees are not permitted to sell the Equity Shares for a period of one year from the date of Allotment except through the Stock Exchanges. In addition to the above, allotments made to Eligible QIBs, including FVCIs, VCFs and AIFs in the Issue, may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them.

The Equity Shares Allotted in the Issue are also subject to the resale restrictions in "*Selling Restrictions*" on page 230 and the following resale restrictions.

United States

Each purchaser of the Equity Shares offered in the Issue shall be deemed to have represented, warranted and acknowledged to and agreed with our Company and the Book Running Lead Manager as follows:

- It understands that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and are being offered and sold to it in reliance on Regulation S.

- It was outside the United States at the time the offer of the Equity Shares offered in the Issue was made to it and it was outside the United States when its buy order for the Equity Shares offered in the Issue was originated.

- It did not purchase the Equity Shares offered in the Issue as a result of any "directed selling efforts" (as defined in Regulation S).

- It is buying the Equity Shares offered in the Issue for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Issue, it agrees that it will not offer, sell, pledge or otherwise transfer the Equity Shares offered in the Issue except in transactions complying with Rule 903 or Rule 904 of Regulation S or an available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Where it is subscribing to the Equity Shares offered in the Issue as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and it has full power to make the representations, warranties, agreements and acknowledgements herein.

- Where it is subscribing to the Equity Shares offered in the Issue for one or more managed accounts, it represents and warrants that it was authorised in writing by each such managed account to subscribe to the Equity Shares offered in the Issue for each managed account and to make (and it hereby makes) the representations, warranties, agreements and acknowledgements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- It agrees to indemnify and hold our Company and the Book Running Lead Manager harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Issue.

- It acknowledges that our Company, the Book Running Lead Manager and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Our Company, our representatives and our agents will not be obligated to recognize any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions set forth herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 (the "**SCRA**") and the SCRR. On October 9, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "SCR (SECC) Rules"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or noncompliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended govern the voluntary and compulsory delisting of equity shares from the stock exchanges. Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of 230 any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Further, pursuant to the budget for financial year 2020, SEBI has been authorised to consider increasing the minimum public shareholding requirement to 35%. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993.

Internet-based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back office work.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Disclosures under the SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum of Association, Articles of Association and the Companies Act. Prospective Investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.

General

The authorised share capital of our Company is ₹ 30,00,00,000 divided into 6,00,00,000^ Equity Shares of ₹ 5 each. As on the date of this Preliminary Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 16,02,50,335 divided into 3,20,50,067*^ Equity Shares of ₹ 5 each. The Equity Shares are listed on BSE and NSE.

**On account of non-payment of final call money by certain shareholders of the Company, 8,300 partly paid-up equity shares of face value of ₹ 10 each of the Company were forfeited pursuant to resolutions passed by the board of directors of our Company in their meeting held on June 29, 2009.*

^ *Our Company has filed a scheme of amalgamation amongst Pitti Castings Private Limited ("**PCPL**") and Pitti Rail and Engineering Components Limited ("**PRECL**") (a wholly owned subsidiary of our Company) and our Company and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with the rules framed thereunder ("**Scheme**"), pursuant to which, PCPL and PRECL will be amalgamated in our Company. Authorised share capital of PCPL and PRECL will be transferred and amalgamated with our Company. As on the date of this Preliminary Placement Document, the Scheme is subject to necessary statutory/regulatory approvals under applicable laws, including approval of National Company Law Tribunal, Bench at Hyderabad.*

Memorandum and Articles of Association

Our Company is governed by its Memorandum and Articles of Association.

Main objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

1. *To carry on the business of manufacture and of development, generation, purchase accumulation, transmission, distribution, sale and supply of electric power including wind energy, solar energy, thermal energy, hydro energy, bio energy or any other sources of energy at places both public or private and to construct, lay down, establish, operate, maintain, develop, power stations, cable wires, lines, accumulators, lighting equipments, transformers and all types of electrical works and equipments.*

2. *To buy, sell, process and carry on business of manufacture of Laminations, Pressings, Stampings, Press Components, Tools, Jigs, Fixtures, Moulds and Tool Room Produce.*

3. *To carry on business, as Manufacturers, Importers, Exporters, Buyers, Sellers, Dealers, Stockists, Agents, Distributors of Laminations, Pressings, Stampings, Press Components, Tools, Jigs, Mixtures, Moulds and Tool Room Produce.*

4. *To carry on business, as manufacturers of sheet Metal Pressing of every description and pressing of all types of metals to manufacture any item or part of such item out of metal.*

5. *To carry on the business as manufacturers, repairers and dealers in forgings, foundry / castings, plates, boilers and to set up steel furnaces and to carry on the business of iron founders, metal founders, metal presses, metal rollers, metal works, rolling mills, metal converters and as manufacturers of metal and metal fittings and to carry on the business as manufacturers, fabricators, importers, exporters, dealers, agents, stockists, retailers and traders of all kinds of material handling equipment, tools, machine tools, gadgets, accessories and spares and those products and items related or connected or supplementary or ancillary to the above.*

Dividend

Under Indian law, a company pays dividend upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of the company for any previous fiscal year(s) arrived at in accordance with the provisions of the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a lesser dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of Directors may pay interim dividend at such intervals as it may think fit, subject to the requirements of the Companies Act.

These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by our Company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

The Equity Shares issued pursuant to this Preliminary Placement Document and the Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

No dividend shall be payable except out of the profits of the year or any other undistributed profits of the Company, or otherwise than in accordance with the provisions of the Act and no dividend shall carry interest as against the Company.

Bonus issue and capitalisation of profits

The Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account, to its shareholders, in the form of fully paid up bonus shares. Bonus shares are distributed to shareholders in the proportion of the number of ordinary shares owned by them as recommended by the board of directors. The shareholders on record on a fixed record date are entitled to receive such bonus shares. Any issue of bonus shares is subject to regulations issued by SEBI. Further, as per the Companies Act, 2013, bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/ interest payments on fixed deposits or debt securities issued by it. The bonus issue must be made out of free reserves built out of profits or share premium account collected in cash only and not from reserves created by revaluation of fixed assets. Further, bonus shares cannot be issued in lieu of dividend.

Share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62 of the Companies Act, 2013, such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board of directors of a company may dispose of the shares offered in respect of which no acceptance has been received in a manner which shall not be disadvantageous to the shareholders of a company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

The Articles of Association authorise our Company to, from time to time, increase its share capital by such sum, to be divided into shares of such amount, as may be specified pursuant to a resolution. Subject to the provisions of Section 61 of the Companies Act, 2013 and the Articles of Association, our Company may, by ordinary resolution, (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Companies Act; (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, voting or otherwise in accordance with the Companies Act.

Pre-emptive rights and issue of additional shares

The Companies Act, 2013 gives shareholders the right to subscribe for new shares in proportion to their existing shareholdings unless otherwise determined by a resolution passed by three-fourths of the shareholders present and voting at a general meeting. Under the Companies Act, 2013 and the Articles, in the event of an issuance of securities, subject to the limitations set forth above, our Company must first offer the new Equity Shares to the holders of Equity Shares on a fixed record date. The offer, required to be made by notice, must include:

- the right exercisable by the shareholders as on record date, to renounce the Equity Shares offered in favour of any other person;
- the number of Equity Shares offered; and
- the period of the offer, which may not be less than 15 days from the date of the offer and shall not exceed thirty days. If the offer is not accepted, it is deemed to have been declined.

The Board is permitted to distribute Equity Shares not accepted by existing shareholders in the manner it deems beneficial for us in accordance with the Articles.

General meetings of shareholders

There are two types of general meetings of the shareholders:

(i) AGM; and

(ii) EGM.

Our Company must hold its AGM within six (6) months after the expiry of each fiscal year provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three (3) months. The Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's paid-up share capital, in accordance with Section 100 of the Companies Act, 2013.

Notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.

Our Company may also pass resolutions by means of postal ballot and/or other ways as may be prescribed under Section 110 of the Companies Act, 2013 and/or other applicable provisions, if any, and any future amendments or re-enactments, in respect of any business that can be transacted by our Company in a general meeting, instead of transacting the business therein. Further, in the case of resolutions relating to such business as the Government of India may prescribe, to be conducted only by postal ballot and/or other ways as may be prescribed, our Company shall get such resolutions passed only by postal ballot and/or other ways as may be prescribed, instead of transacting the business in a general meeting of the Company.

Voting rights

At a general meeting, every member holding shares is entitled to vote through e-voting process. Upon a poll, the voting rights of each member entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. The Chairman of the meeting has a casting vote or second vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Transfer of shares

The equity shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the NSDL and CDSL. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. Our Company shall keep a book in which every transfer or transmission of shares will be entered.

Pursuant to the SEBI Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, it is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Equity Shares shall be freely transferable, subject to applicable laws.

Buy-back

Our Company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Liquidation rights

If a company is wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution and any other sanction required by the Companies Act, 2013, divide amongst the members, *in specie* or in kind, the whole or any part of the assets of the company and may, with the same sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories, as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. The liquidator may set any such value upon any property to be divided as he deems fair and how such division shall be carried out between the members or different classes of members.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,

The Board of Directors
Pitti Engineering Limited
6-3-648/401, IV Floor
Padmaja Landmark, Somajiguda
Hyderabad – 500 082
Telangana, India

(Hereinafter referred to as the "**Company")**

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah Sayani Road
Opposite Parel ST Depot, Prabhadevi
Mumbai 400 025
Maharashtra, India

(hereinafter referred to as "**Book Running Lead Manager**" or "**BRLM**" or "**Placement Agent**")

Subject: Qualified institutions placement of equity shares of face value ₹ 5 each ("Equity Shares") by Pitti Engineering Limited (the "Company" or "Issuer") under Chapter VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), as amended, and Section 42 and 62 of the Companies Act, 2013, as amended, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended (the "Issue").

We, Talati & Talati LLP, Chartered Accountants, statutory auditors of the Company, hereby report the possible tax benefits available to the Company and the shareholders of the Company, under the Income Tax Act, 1961, as amended (the "**IT Act**"), applicable Indirect Tax Laws (as defined in the Annexure A), along with the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, presently in force in India, in the enclosed statement at **Annexure A**.

Several of these stated tax benefits/consequences are dependent on the Company and/or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Therefore, the ability of the Company and/or its shareholders to derive the tax benefits is dependent on fulfilling such conditions.

The benefits discussed in enclosed Annexure A cover the possible tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure A and its contents is the responsibility of the management of the Company ("**Management**"). We were informed that the statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offer particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the statement.

The Management is responsible for ensuring that the Company complies with the requirements of the applicable laws and shall be responsible for providing us the required information/documents as may be required by us for certifying the requirement as per paragraph above.

The benefits discussed in the enclosed annexure are not exhaustive. We do not express any opinion or provide any assurance as to whether:

i) the Company or its shareholders will continue to obtain these benefits in future; or
ii) the conditions prescribed for availing the benefits have been/would be met with; or
iii) the revenue authorities / courts will concur with the views expressed herein.

We consent to the inclusion of the above information in the Preliminary Placement Document and Placement

Document to be filed by the Company with the stock exchanges on which the Equity Shares of the Company are listed (the "**Stock Exchanges**"), the Securities and Exchange Board of India, and the Registrar of Companies, and any other authority and such other documents as may be prepared in connection with the Issue.

We confirm that the information in this certificate is true and fair and is in accordance with the requirements of the Companies Act, 2013 as amended, the SEBI (ICDR) Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

This statement is prepared for inclusion in the Preliminary Placement Document (PPD) and Placement Document (PD) in connection with the Issue, and may accordingly be furnished to the Stock Exchanges or any other judicial, statutory, and regulatory authorities as required. The aforesaid information contained herein and in **Annexure A** can also be shared with and relied on by the Placement Agent, legal counsel and any other advisors and intermediaries appointed in relation to the Issue.

We undertake to immediately communicate, in writing, any changes to the above information / confirmations, as and when: (i) made available to us; or (ii) we become aware of any such changes, to the BRLM and the Company until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. In the absence of any such communication, you may assume that there is no change in respect of the matters covered in this certificate.

Capitalized terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the Preliminary Placement Document or Placement Document.

Yours sincerely,

Talati & Talati LLP, Chartered Accountants
Firm Registration Number: 110758W/W100377

Partner: CA Amit Shah
Membership No.:122131
UDIN:24122131BKHHDB1041
Place: Ahmedabad
Date: July 8, 2024

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS IN RELATION TO EQUITY SHARES AVAILABLE TO COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX LAWS.

Outlined below are the Possible Tax Benefits in relation to Equity Shares available to the Company and its shareholders under the Tax Laws. These possible tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the possible tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE DIRECT TAX LAWS

POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

- Section 115BAA of the IT Act, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that a domestic company can opt for a corporate tax rate of 22% (plus applicable surcharge and education cess) from the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or specified brought forward losses and depreciation/ unabsorbed depreciation and by claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA of the IT Act, provisions of Minimum Alternate Tax ('MAT') would not be applicable and unutilized MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

  The Company has represented that it has opted for concessional tax regime under section 115BAA of the IT Act for AY 2020-21 and onwards.

- In accordance with and subject to fulfilment of conditions as laid out under Section 80JJAA of IT Act the Company may be entitled to claim deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

  The Company has represented that it has been claiming deduction u/s 80JJAAof the IT Act from AY 2019-20.

- In case of dividend received by the Company from any other domestic company or a foreign company or a business trust in a financial year, the Company shall be eligible to claim a deduction under section 80M of the IT Act subject to fulfilment of prescribed conditions. The amount of such deduction would be restricted to the amount of the dividend distributed by the Company up to one month prior to due date of furnishing the income-tax return under section 139(1) of the IT Act for the relevant year.

- With reference to section 72A of the Income Tax Act, 1961,where there has been an amalgamation of a company, the accumulated losses and the unabsorbed depreciation of the amalgamating company shall be deemed to be the loss or, as the case may be, allowance for unabsorbed depreciation of the amalgamated company for the previous year in which the amalgamation was effected, and other provisions of this Act relating to set off and carry forward of loss and allowance for depreciation shall apply accordingly.

Details of losses of Pitti Castings Private Limited are as under:

LOSSES TABLE

A.Y.	HEAD	LOSSES		
		BROUGHT FORWARD	SET-OFF	CARRIED FORWARD
2013-14	Unabsorbed Depreciation	80958747	1920732	79038015
2014-15	Unabsorbed Depreciation	69510641	-	69510641
2015-16	Ordinary Business	73895281	73895281	-
2015-16	Unabsorbed Depreciation	82238405	-	82238405
2016-17	Ordinary Business	45685885	8863660	36822225
2016-17	Unabsorbed Depreciation	66783372	-	66783372
2017-18	Ordinary Business	34607955	-	34607955
2017-18	Unabsorbed Depreciation	57070666	-	57070666
2018-19	Ordinary Business	207416593	-	207416593
2018-19	Unabsorbed Depreciation	49856643	-	49856643
2019-20	Ordinary Business	103107132	-	103107132
2019-20	Unabsorbed Depreciation	46097125	-	46097125
2021-22	Long Term Capital Loss	1729052	-	1729052

POSSIBLE TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

- Section 112A of the IT Act provides for concessional rate of tax on certain long term capital gains with effect from April 1, 2019 (i.e., Assessment Year 2019-20). Any income, exceeding Rs.1,00,000 arising from the transfer of a long-term capital asset (i.e., capital asset held for more than 12 months) being an equity share in a company or a unit of an equity-oriented fund wherein Securities Transaction Tax ('STT') is paid on both acquisition and transfer, income tax is charged at a rate of 10% without giving effect to indexation.

- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable double taxation avoidance agreement, if any, between India and the country in which the non-resident has fiscal domicile and also subject to non-resident having necessary documentation as required under the IT Act.

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA – INDIRECT TAX LAWS:

Outlined below are the possible tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), The Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24, Foreign Trade Policy 2023, read with relevant Rules, Notifications and Circulars, each as amended and presently in force in India (collectively referred as "Indirect Tax Laws").

Indirect tax benefits available to the Company:

1. Benefit of Export Promotion Capital Goods scheme (EPCG) under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

   The Company is availing benefit under the export promotion capital goods scheme covered under chapter 5 of the FTP wherein it is eligible to undertake duty free import of capital goods which are used in manufacturing of goods. Under the scheme, the Company is required to fulfil an export obligation i.e., undertake export of goods within a prescribed time period.

2. Benefits of Advance Authorization under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

   The Company is availing benefit under the Advance Authorization scheme covered under chapter 4 of the FTP wherein it is eligible to undertake duty free import of inputs, which is physically incorporated in manufacturing goods for export purposes (making normal allowance for wastage). Under this scheme, the Company is under obligation to undertake export of goods within a prescribed time period.

3. Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:

   As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported. The Company avails duty drawback benefit as per the All-Industry Rate (AIR) in the duty drawback schedule.

4. Benefits of Remission of Duties and Taxes on Export Products ("RoDTEP") Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):

   This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of distribution of exported product. The Company avails RoDTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8-digit HS Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

5. Benefits under the Central Goods and Services Act, 2017, respective State / Union Territory Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder):

   Under GST regime, the exporter has the option to either undertake exports under cover of a Bond/ Letter of Undertaking ("LUT") without payment of IGST and claim refund of accumulated input tax credit subject to fulfilment of conditions prescribed for export or the exporter may export with payment of IGST and claim refund of IGST paid on such exports as per the provisions of Section 54 of Central Goods and Services Tax Act, 2017. Thus, the Integrated Goods and Service Tax Act, 2017 permits a supplier undertaking zero rated supplies (which will include the supplier making supplies to SEZ) to claim refund of tax paid on exports as IGST (by undertaking exports on payment of tax using ITC) or export without payment of tax by executing a Bond/ LUT and claim refund of related ITC of taxes paid on inputs and input services used in making zero rated supplies.

Indirect tax benefits available to the shareholders of the Company:

There are no indirect tax benefits available to the shareholders of the Company.

LEGAL PROCEEDINGS

As on date of this Preliminary Placement Document, except as disclosed below, there are no outstanding litigation, suits, including any tax proceedings or any other claims, disputes, legal or show cause notices, investigations or complaints determined as material in accordance with the Company's 'Policy on Disclosure of Material Events / Information" framed in accordance with Regulation 30 of the SEBI Listing Regulations.

*Notwithstanding such materiality policy, solely for the purpose of the Issue, in accordance with the resolution passed by our Fund Raising Committee on July 8, 2024, except as disclosed in this section, there are no: (i) outstanding criminal proceedings involving our Company, or its Subsidiaries (collectively, "**Relevant Parties**"); (ii) outstanding actions by statutory or regulatory authorities against our Company or its Subsidiaries along with any show cause notices received from a statutory or regulatory authority by our Company or its Subsidiaries ; (iii) a consolidated disclosure of all claims related to direct and indirect taxes involving our Company and/or Subsidiaries; (iv) outstanding civil litigation proceedings involving our Company and/or Subsidiaries, which involve an amount equivalent to or above ₹ 334.81 lakhs which is 5% of the average of absolute value of profit or loss after tax as per the last three audited consolidated financial statements of the Company for the financial years ended March 31, 2022, March 31, 2023 and March 31, 2024; (v) other outstanding proceedings involving our Company and/or Subsidiaries wherein a monetary liability is not determinable or quantifiable, or which does not exceed the threshold as specified in (iv) above, which if results in an adverse outcome would have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company and (vi) all legal proceedings involving the promoters or directors of our Company, which, if result in an adverse outcome, would materially and adversely affect the financial position, business, operations, prospects, or reputation of the Company (along with Policy on Disclosure of Material Events / Information, referred to as "**Materiality Policy**").*

Further, pre-litigation notices received by any of the Relevant Parties, from third parties (excluding statutory/regulatory/ judicial/quasi-judicial/government/tax authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of the Relevant Parties, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Further, as on date of this Preliminary Placement Document, except as disclosed in this section: (i) there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Preliminary Placement Document and no directions have been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action; (ii) there have been no inquiries, inspections or investigations initiated or conducted against our Company, under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving our Company; (iii) our Company has no defaults in repayment of (a) statutory dues, (b) debentures and interest thereon, (c) deposits and interest thereon and (d) loans from any bank or financial institution and interest thereon (except where there is dispute under litigation); (iv) our Company has not made any default in annual filings of our Company under the Companies Act, 2013 or the rules made thereunder; (v) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; (vi) there have been no acts of material fraud committed against our Company in the last three years preceding the issue of this Preliminary Placement Document; and (vii) there are no reservations, qualifications or adverse remarks of auditors in their respective reports on our audited consolidated and standalone financial statements for the last five Fiscals preceding the year of the issue of this Preliminary Placement Document.

Summaries of certain legal proceedings and certain other proceedings which may be construed as material for the purpose of this section of this Preliminary Placement Document, are set forth below:

I. Litigation involving our Company

(a) *Criminal proceedings*

Against our Company

There are no outstanding criminal proceedings against our Company in accordance with Materiality Policy.

By our Company

Our Company has filed a complaint dated May 26, 2023 ("**Complaint**") before the Court of the Hon'ble Additional Chief Magistrate, Nampally ("**ACM**") against Sandeep Krishna Padala, and others ("**Accused**") under Section 190(1)(a) read with Section 200 of the Criminal Procedure Code, 1973. Our Company has entered into a memorandum of understanding, as amended ("**MoU**") with SVM Nonwovens Private Limited ("**SVM**") for sale of its immoveable property (*admeasuring approximately 6 acres*) to SVM ("**Property**"), which was subsequently terminated by our Company on account of default in making payment by SVM as per terms of the MoU. Accused have allegedly refused to vacate the Property, misbehaved, threatened authorised personnel of our Company, and have allegedly committed offence *inter-alia* under sections 341, 347, 351, 352, 354, 386, 120 B read with section 34 of the Indian Penal Code, 1860. Subsequently, our Company has taken possession of the Property pursuant to consent terms dated August 18, 2023 ("**Consent Terms**") entered into with the Accused. The matter is currently pending.

(b) *Civil proceedings*

There are no outstanding civil proceedings involving our Company in accordance with the Materiality Policy.

(c) *Actions by statutory or regulatory authorities*

There are no outstanding actions initiated by statutory or regulatory authorities against our Company in accordance with Materiality Policy.

II. Litigation involving our Subsidiaries

(a) *Civil proceedings involving our Subsidiaries*

There are no outstanding civil proceedings involving our Subsidiaries in accordance with the Materiality Policy.

(b) *Criminal proceedings involving our Subsidiaries*

There are no outstanding criminal proceedings involving our Subsidiaries in accordance with the Materiality Policy.

(c) *Actions by statutory or regulatory authorities*

There are no actions initiated by statutory or regulatory authorities against our Subsidiaries in accordance with the Materiality Policy.

III. Tax proceedings involving the Company and Subsidiaries

We have disclosed claims relating to direct and indirect taxes involving the Company and Subsidiaries in a consolidated manner, as on the date of this Preliminary Placement Document, giving details of number of cases and the total amount involved in such claims, to the extent quantifiable.

Nature of cases	Number of cases	Amount involved (in ₹ lakhs)*
Company		
Direct tax	3	966.46
Indirect tax	5	38.07
Total	8	1,004.53
Subsidiaries		
Direct tax	Nil	NA
Indirect tax	Nil	NA

Nature of cases	Number of cases	Amount involved (in ₹ lakhs)*
Total	Nil	NA

To the extent quantifiable.

IV. Litigation involving our Directors or Promoters

As on date of this Preliminary Placement Document, our Directors or Promoters are not involved in any pending legal proceedings, an adverse outcome of which, would materially and adversely affect the financial position, business, operations, prospects, or reputation of the Company.

V. Inquiries, inspections, or investigations initiated or conducted under the Companies Act, 2013 in the last three years preceding the year of the Issue Documents, involving our Company and its Subsidiaries, and any prosecutions filed (whether pending or not), fines imposed, or offences compounded in the last three years immediately preceding the year of the Issue Documents, involving our Company and its Subsidiaries.

There have been no inquiries, inspections or investigations initiated or conducted against the Company or Subsidiaries under the Companies Act or the Companies Act, 1956 in the last three years immediately preceding the year of issue of this Preliminary Placement Document, nor have there been any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Preliminary Placement Document involving the Company or Subsidiaries.

VI. Litigation or legal actions, pending or taken, by any ministry or department of the government or a statutory authority against the Promoters of our Company during the last three years immediately preceding the year of the Issue Documents, and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action, if any.

There are no litigations or legal actions pending or taken by any Ministry or Department of the Government or any statutory authority and there are no directions issued by such Ministry or Department of the Government or statutory authority upon conclusion of such litigation or legal action against our Promoters during the last three years immediately preceding the year of the issue of this Preliminary Placement Document.

VII. *Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.*

There have been no material frauds committed against the Company in the last three years preceding the date of this Preliminary Placement Document.

VIII. *Details of default, if any, including the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon.*

The Company has no outstanding defaults in repayment of statutory dues, dues payable to holders of any debentures and interest thereon, deposits and interest thereon and loans and interest thereon from any bank or financial institution.

IX. Details of defaults in annual filing of the Company under the Companies Act, 2013 and the rules made thereunder.

As on the date of this Preliminary Placement Document, the Company has not made any default in their respective annual filings under the Companies Act, 2013 and the rules made thereunder.

X. Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.

As on the date of this Preliminary Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations.

XI. Reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Preliminary Placement Document and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remarks.

There are no reservations, qualifications, or adverse remarks of the Statutory Auditor in their report on audited consolidated financial statements or audited standalone financial statements for last five Fiscals preceding the date of this Preliminary Placement Document. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 91.

STATUTORY AUDITORS

Talati & Talati LLP, Chartered Accountants, are Statutory Auditors, as required by the Companies Act and in accordance with the guidelines prescribed by ICAI and have been appointed pursuant to the Shareholders' approval at the AGM held on September 23, 2022, for five consecutive years.

The Audited Consolidated Financial Statements of Pitti Engineering Limited as included in this Preliminary Placement Document, have been audited by Talati & Talati LLP, Chartered Accountants as stated in their reports appearing herein. The peer review certificate of our Statutory Auditors is valid as on the date of this Preliminary Placement Document.

The audited consolidated financial statements of our Company as at and for the year ended March 31, 2022, as included in this Preliminary Placement Document, were audited by Laxminiwas & Co, Chartered Accountants, our Previous Statutory Auditors, appointed by our Company pursuant to a shareholders' resolution dated September 6, 2017.

GENERAL INFORMATION

- Our Company was incorporated as 'Pitti Laminations Private Limited' on September 17, 1983, under the provisions of Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Andhra Pradesh. Our Company became a public limited company and the name of our Company was changed to 'Pitti Laminations Limited' pursuant to a fresh certificate of incorporation consequent on change of name dated December 29, 1992, issued by the Registrar of Companies, Andhra Pradesh. Further, the name was changed to 'Pitti Engineering Limited' pursuant to which a fresh certificate of incorporation was issued upon change of name on May 8, 2018, by the Registrar of Companies, Telangana at Hyderabad.

- The address of the registered office of the Company was changed from 1-7-1054, Industrial Area, Azamabad, Hyderabad to 6-3-648/2, Somajiguda, Hyderabad – 500 004, with effect from October 16, 1983. Our registered office was further shifted to 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India, with effect from October 16, 2002.

- The authorised share capital of our Company is ₹ 30,00,00,000 divided into 6,00,00,000 Equity Shares of ₹ 5 each.*

  Our Company has filed a scheme of amalgamation amongst Pitti Castings Private Limited ("PCPL**") and Pitti Rail and Engineering Components Limited ("**PRECL**") (a wholly owned subsidiary of our Company) and our Company and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 read with the rules framed thereunder ("**Scheme**"), pursuant to which, PCPL and PRECL will be amalgamated in our Company. Authorised share capital of PCPL and PRECL will be transferred and amalgamated with our Company. As on the date of this Preliminary Placement Document, the Scheme is subject to necessary statutory/regulatory approvals under applicable laws, including approval of National Company Law Tribunal, Bench at Hyderabad.*

- The Issue was authorised and approved by our Board on May 15, 2024 and approved by the shareholders dated June 13, 2024, in their extra-ordinary general meeting.

- The Equity Shares are listed on BSE and NSE. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE on July 8, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

- Our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- No change in the control of the Company will occur consequent to the Issue.

- Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since March 31, 2024, the date of the financial information prepared in accordance with applicable accounting standards, which has been included in this Preliminary Placement Document.

- Except as disclosed in this Preliminary Placement Document, there are no outstanding legal or arbitration proceedings against or affecting us or our assets or revenues, nor are we aware of any pending or threatened legal or arbitration proceedings, which is material in the context of this Issue in terms of "*Policy for determining of materiality of events and information for disclosure*", as adopted by our Board. For further details, see "*Legal Proceedings*" on page 251.

- There have been no defaults in the annual filings of our Company under the Companies Act or the rules made thereunder.

- In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed India Ratings and Research Private Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

- As on the date of this Preliminary Placement Document, Talati & Talati LLP, Chartered Accountants firm registration no. 110758W/ W100377 is the statutory auditor of our Company.

- Copies of the Memorandum and Articles of Association of our Company will be available for inspection between 11.00 A.M. to 1.00 P.M. any weekday (except Saturdays and public holidays) during the Bid/Issue Period at our Registered Office and Corporate Office.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations, SCRA and the SCRR.

- The Floor Price for the Equity Shares under the Issue is ₹ 1,054.25 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations as certified by Talati & Talati LLP, Chartered Accountants.

- Our Company may offer a discount of not more than 5% on the Floor Price of ₹ 1,054.25 per Equity Share, in terms of Regulation 176 of the SEBI ICDR Regulations**.**

- The Company and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including Company's or Subsidiaries websites, would be doing so at its own risk.

- Details of the Company Secretary and Chief Compliance Officer of our Company:

  Mary Monica Braganza
  6-3-648/401, IV Floor,
  Padmaja Landmark,
  Somajiguda,
  Hyderabad – 500 082, India.
  Telephone: +91 40 2331 2774 / 2331 2770
  E-mail: monica.m@pitti.in/shares@pitti.in

FINANCIAL INFORMATION

Index to Financial Statements

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PITTI ENGINEERING LIMITED

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **PITTI ENGINEERING LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at March 31 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Financial Statements, including a summary of the material accounting policies and other explanatory information here in after referred to as ("the Consolidated Financial Statements").

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

Basis for Opinion

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

Key Audit Matters

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

Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance

and Shareholder's Information and other information in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.
The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules,2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for Audit of Consolidated Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or if such disclosures are inadequate, then to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with those charged with governance of the Holding Company and such other entities including in the Consolidated Financial Statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The Consolidated Financial Statements include financial statements of 1 (one) subsidiary, whose Standalone Financial Statements reflect total assets of ₹ 4.6 Lakhs as at March 31, 2024, total revenue of ₹ Nil and net cash inflows amounting to ₹ 4.50 Lakhs for the year ended on that date. This financial statement has been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statement.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards ("IND AS") specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015, as amended.

(e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on March 31, 2024, taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A".**

(g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its Subsidiary to their directors during the year is in accordance with the provisions of section 197 of the act read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the group in its financial statements – Refer to Note 25.2 to the Consolidated Financial Statements.

(ii) The Group does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as on March 31, 2024.

(iii) There were no such amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2024.

(iv)

(a) The respective management of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 25.27 (vii) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 25.27(viii) to the Consolidated Financial Statements, no funds have been received by the Company or its subsidiary company incorporated in India from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub- clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

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

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHCA9420

Place of Signature: Hyderabad
Date: May 15, 2024

Annexure - A to the Auditors' Report

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

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Pitti Engineering Limited

In conjunction with our audit of the Consolidated Financial Statements of **PITTI ENGINEERING LIMITED** (herein after referred to as "the Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to Consolidated Financial Statements of the Holding Company and its subsidiary, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which are company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Amit Shah
Partner
Membership Number: 122131
UDIN: 24122131BKHHCA9420

Place of Signature: Hyderabad
Date: May 15, 2024

CONSOLIDATED BALANCE SHEET
as at 31st March 2024

₹ in lakhs

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

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the Year ended 31st March 2024

₹ in lakhs

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

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31st March, 2024

₹ In Lakhs

Particulars	For the year ended 31.03.2024		For the year ended 31.03.2023	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	**12,190.67**		7,990.87	
Adjusted for				
Depreciation and amortisation expenses	**5,401.91**		4,465.23	
Interest Income	**(267.56)**		(177.86)	
Credit Risk Impaired	**9.37**		43.54	
Credit Risk Allowance	**15.63**		(0.55)	
(Gain) / Loss on sale of property, plant and equipment including intangable assets (net of loss on assets scrapped/written off)	**(12.90)**		(21.70)	
(Gain)/ Loss on Lease modification	**(0.99)**		-	
Re-measurement gains/(losses) on employee defined benefit plans	**(561.14)**		(31.74)	
Re-measurement gains/(losses) on Investments	**5.84**		(126.48)	
Loss on current financial assets measured at FVTPL	**(5.97)**		126.11	
Unrealised foreign exchange differences	**100.09**		75.94	
Finance Costs	**4,999.30**	**21,874.25**	4,465.43	16,808.79
Operating Profit before Working Capital changes		**21,874.25**		16,808.79
Working Capital changes adjusted for				
Trade & Other Receivables	**(9,247.52)**		3,491.32	
Inventories	**(3,088.55)**		3,297.31	
Trade and other payables	**(1,132.05)**		2,150.98	
		(13,468.12)		8,939.61
Cash generated from operations		**8,406.13**		25,748.40
Direct Taxes Paid		(1,047.78)		(3,452.75)
Cash Flow before extraordinary items		**7,358.35**		22,295.65
Net Cash Flow From Operating Activities - (A)		**7,358.35**		22,295.65
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & equipment and intangibles		**(17,455.26)**		(9,570.85)
Advances to Property, Plant & equipment and intangibles		**(4,003.68)**		(63.10)
ROU Assets as per IND AS 116		**(2,441.32)**		(1,047.45)
Proceeds from sale of property, plant & equipment		**97.71**		171.48
Interest income received		**228.60**		156.77
Net Cash used in Investing Activities - (B)		**(23,573.95)**		(10,353.15)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Cash Payments for Principal portion of lease liability	**1,425.25**		(178.66)	
Cash Payments for Interest portion of lease liability	**(128.95)**		(2.87)	
Proceeds from Borrowings - Noncurrent (including current maturities)	**21,481.93**		3,819.65	
Repayment of Borrowings - Noncurrent (including current maturities)	**(2,795.69)**		(3,177.58)	
Proceeds/(repayments) of short-term borrowings (Net)	**5,991.56**		(4,094.03)	
Finance charges	**(4,947.32)**		(4,545.26)	
Term Deposit Accounts with financial institutions	**(803.31)**		195.76	
Payment of Dividend	**(383.13)**		(751.39)	
Unclaimed Dividend	**(1.47)**		(1.79)	
		19,838.87		(8,736.17)
Net Cash used in Finance Activities - (C)		**19,838.87**		(8,736.17)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**3,623.27**		3,206.33
Opening Balance in Cash and Cash Equivalents		**3,970.14**		**763.81**
Closing Balance in Cash and Cash Equivalents		**7,593.41**		3,970.14
Components of cash and cash equivalents:				
Cash on hand		2.37		3.31
Balances with banks				
Current accounts		1,130.92		1,234.72
EEFC accounts		1.12		1.11
Term Deposit Accounts with in 3 months of maturity (Without lien)		6,459.00		2,731.00
Total cash and cash equivalents		**7,593.41**		**3,970.14**

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M. No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

PITTI

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March 2024

(a) Equity Share Capital

₹ in lakhs

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

(b) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income		
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Total Other Equity
Balance as at 1st April 2022	**8,106.46**	**750.48**	**17,862.21**	**(93.16)**	**162.69**	**26,788.68**
Profit for the period	-	-	5,883.49	-	-	5,883.49
Fair Valuation of investments	-	-	-	(94.65)	-	(94.65)
Actuarial Gain /(Loss)	-	-	-	-	(23.75)	(23.75)
Total Comprehensive Income for the previous year	**8,106.46**	**750.48**	**23,745.70**	**(187.81)**	**138.94**	**32,553.77**
Dividends	-	-	(753.18)	-	-	(753.18)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2023	**8,106.46**	**750.48**	**22,992.52**	**(187.81)**	**138.94**	**31,800.59**
Balance as at 1st April 2023	**8,106.46**	**750.48**	**22,992.52**	**(187.81)**	**138.94**	**31,800.59**
Profit for the period	-	-	9,019.13	-	-	9,019.13
Fair Valuation of investments	-	-	-	4.27	-	4.27
Actuarial Gain /(Loss)	-	-	-	-	(419.91)	(419.91)
Total Comprehensive Income for the current year	**8,106.46**	**750.48**	**32,011.65**	**(183.54)**	**(280.97)**	**40,404.08**
Dividends	-	-	(384.60)	-	-	(384.60)
Transfer to retained earnings	-	-	-	-	-	-
Balance as at 31st March 2024	**8,106.46**	**750.48**	**31,627.05**	**(183.54)**	**(280.97)**	**40,019.48**

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M.No:122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place: Hyderabad
Date : 15th May 2024

Place: Hyderabad
Date : 15th May 2024

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2024

NOTE 1: MATERIAL ACCOUNTING POLICIES INFORMATION

1.1. CORPORATE INFORMATION

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

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

1.2. BASIS OF PREPARATION AND PRESENTATION

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

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

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

1.3 PRINICIPLES OF CONSOLIDATION

(a) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like-items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

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

(d) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

1.4. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of Accounting

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act,2013 as amended from time to time.

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

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

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

(b) Significant accounting judgments, estimates and assumptions

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

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

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

(d) Current/ Non-Current Classification

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

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

1.5. A. PROPERTY, PLANT AND EQUIPMENT

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

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

Such cost includes the cost of replacing part of the plant and equipment, costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same were depreciated separately based on their specific useful lives.

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

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

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

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

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

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

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

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, Plant and Equipment is provided on straight-line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing ₹5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

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

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

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

B. INTANGIBLE ASSETS

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

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

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

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

Development expenditures on an individual product/project are recognized as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

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

Subsequent cost

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

De-recognition

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

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

C. INVESTMENT PROPERTY

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

1.6. IMPAIRMENT OF NON-FINANCIAL ASSETS:

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

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

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

1.7. REVENUE RECOGNITION

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

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

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

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

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

(a) Interest income

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

(b) Dividend income

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

(c) Other income

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

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

1.8. INVESTMENTS

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

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

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

1.9. INVENTORIES

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

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

(c) The cost of inventories is computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

(d) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

1.10. CASH AND CASH EQUIVALENTS:

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

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

1.11. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

(a) Initial Recognition

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

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

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

1.12. EMPLOYEE BENEFITS

Short term employee benefits:

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

Post-employment benefits

Defined Contribution Plan

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

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

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

Defined Benefit Plan

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

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

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

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

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

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognizes related restructuring costs

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

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

(ii) Net interest expense or income

Termination Benefits

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

1.13. BORROWING COSTS

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

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

1.14. LEASES

The Group as a lessee

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

(i) The contract involves the use of an identified asset.

(ii) The Group has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) The Group has the right to direct the use of the asset.

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

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

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

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

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

1.15. EARNINGS PER SHARE

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

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

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

1.16. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.12 for the segment information presented.

1.17. PROVISIONS AND CONTINGENCIES

The Group creates a provision when there exists a present obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of the obligation.
A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

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

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

1.18. TAXATION

Current Income Tax

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

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

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

Deferred Tax

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.
Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

1.19. FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

(i) Debt instruments at amortized cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

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

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

And

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Equity Investments

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

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

Derecognition

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

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

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

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

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

Derivative Financial Instrument and Hedge Accounting

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

Fair Value Measurement

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

Levels of Risk in Fair Value Measurement:

Level 1 – The fair value of financial instruments quoted in active markets is based on their quoted in active market is based on their quoted closing price at the balance sheet date.
Level 2 – The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

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

1.20. EXCEPTIONAL ITEM

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

1.21. GOVERNMENT GRANT

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

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

NOTE : 2

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

₹ in Lakhs

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2023	ADDITIONS	ADJUSTMENTS	As at 31.03.2024	As at 01.04.2023	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Property, Plant & Equipment											
Land	1,969.00	210.34	0.49	**2,179.83**	-	-	-	-	**-**	**2,179.83**	1,969.00
Factory Building		-	-			-	-	-			
- on Own premises	3,587.93	1,255.40	400.35	**5,243.68**	946.65	160.48	-	232.48	**1,339.61**	**3,904.07**	2,641.28
- on Lease hold Property	1,459.43	-	-	**1,459.43**	811.36	54.98	-	-	**866.34**	**593.09**	648.07
Office Building		-	-	**-**		-	-	-	**-**		
- on Lease hold Property	48.37	105.89	-	**154.26**	3.70	8.67	-	-	**12.37**	**141.89**	44.67
Plant & Equipment	34,096.69	5,214.68	709.17	**40,020.54**	17,844.47	2,930.22	-	362.06	**21,136.75**	**18,883.79**	16,252.22
Tools	5,713.93	1,332.53	(498.35)	**6,548.11**	952.94	466.26	-	(396.16)	**1,023.04**	**5,525.07**	4,760.99
Patterns, Match plates & Mould Box	504.95	56.36	(2.46)	**558.85**	181.34	68.98	-	(0.97)	**249.35**	**309.50**	323.61
Office Equipment	389.28	186.80	(82.59)	**493.49**	260.84	50.95	-	(80.33)	**231.46**	**262.03**	128.44
Furniture & Fixtures	303.16	151.10	(3.88)	**450.38**	157.86	30.40	-	(3.71)	**184.55**	**265.83**	145.30
Other-Computers	363.70	86.42	(53.59)	**396.53**	268.48	44.68	-	(50.53)	**262.63**	**133.90**	95.22
Vehicles	1,212.94	462.41	(39.33)	**1,636.02**	334.25	167.56	-	(30.62)	**471.19**	**1,164.83**	878.69
Sub Total	**49,649.38**	**9,061.93**	**429.81**	**59,141.12**	**21,761.89**	**3,983.18**	**-**	**32.22**	**25,777.29**	**33,363.83**	**27,887.49**
Capital Work In Progress	2,405.69	19,416.85	(10,014.77)	**11,807.77**						**11,807.77**	**2,405.69**

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

Capital Work in Progress ageing schedule

Particulars	As at 31 st March 2024 Amount in CWIP for a period of					As at 31 st March 2023 Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11,184.49	623.28	-	-	11,807.77	2,348.38	57.31		-	2,405.69
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**11,184.49**	**623.28**	**-**	**-**	**11,807.77**	**2,348.38**	**57.31**	**-**	**-**	**2,405.69**

NOTE : 2B INTANGIBLE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2023	ADDITIONS	ADJUSTMENTS	As at 31.03.2024	As at 01.04.2023	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Computer Software	833.02	20.03	(326.78)	**526.27**	726.60	40.28	-	324.23	**442.65**	**83.62**	106.42
Product Development Expenses	2,086.64	-	-	**2,086.64**	1,273.08	373.05	-	-	**1,646.13**	**440.51**	813.56
Sub Total	**2,919.66**	**20.03**	**(326.78)**	**2,612.91**	**1,999.68**	**413.33**	**-**	**324.23**	**2,088.78**	**524.13**	919.98

NOTE: 2C RIGHT OF USE ASSETS

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2023	ADDITIONS	ADJUSTMENTS	As at 31.03.2024	As at 01.04.2023	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land	227.69	-	-	**227.69**	71.52	17.88	-	-	**89.40**	**138.29**	156.17
Building	2,602.44	-	-	**2,602.44**	545.63	156.29	-	-	**701.92**	**1,900.52**	2,056.81
Plant and Machinery	6,049.25	2,401.51	(932.79)	**7,517.97**	874.23	804.16	-	(387.66)	**1,290.73**	**6,227.24**	5,175.02
Vehicles	115.85	46.78	(18.12)	**144.51**	75.33	17.71	-	(12.14)	**80.90**	**63.61**	40.52
Subtotal	**8,995.23**	**2,448.29**	**(950.91)**	**10,492.61**	**1,566.71**	**996.04**	**-**	**(399.80)**	**2,162.95**	**8,329.66**	**7,428.52**

Note: 2D INVESTMENT PROPERTY*

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2023	ADDITIONS	ADJUSTMENTS	As at 31.03.2024	As at 01.04.2023	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Land	0.49	-	(0.49)	-	-	-	-	-	**-**	**-**	0.49
Factory Building	452.55	5.00	(457.55)	-	262.14	9.36	-	(271.50)	**-**	**-**	190.41
Sub Total	**453.04**	**5.00**	**(458.04)**	**-**	**262.14**	**9.36**	**-**	**(271.50)**	**-**	**-**	**190.90**
Grand Total (A+B+C+D) Excluding CWIP	**62,017.31**	**11,535.25**	**(1,305.92)**	**72,246.64**	**25,590.42**	**5,401.91**	**-**	**(314.85)**	**30,029.02**	**42,217.62**	**36,426.89**
Previous Year	54,296.39	8,385.33	(664.41)	62,017.31	21,624.90	4,465.23	-	(499.71)	25,590.42	**36,426.89**	**32,671.49**

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

₹ in lakhs

NOTE 3A : INVESTMENTS	As at 31.03.2024	As at 31.03.2023
Investment with Pitti Castings Private Limited (Unquoted)		
a. Equity Shares (40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000) Presented as per Fair Market Value as per Ind AS Requirement (Refer Note)	**287.23**	**281.52**
b. Redeemable Preferential shares (1,23,30,000 Preferential shares (non-cumulative non-participative redeemable) at face value ₹ 10/- each, previous year 1,23,30,000)	**1,233.00**	**1,233.00**
TOTAL OF UNQUOTED INVESTMENTS	**1,520.23**	**1,514.52**

Note :

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

₹ in lakhs

NOTE 3B : OTHER FINANCIAL ASSETS	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Term Deposits with Finacial Institutions	327.96	807.20
Security Deposits:		
With Lessor	33.39	31.01
With suppliers	16.08	14.34
TOTAL	**377.43**	**852.55**

₹ in lakhs

NOTE 4 : OTHER NON CURRENT ASSETS	As at 31.03.2024	As at 31.03.2023
Unsecured, considered good		
Capital Advance for Property, Plant and Equipment	6,207.33	2,203.65
Prepaid Expenses - Rent Deposits	41.70	43.75
Gold Coins	1.49	1.49
Deposits:		
With government bodies	151.74	125.69
TOTAL	**6,402.26**	**2,374.58**

₹ in lakhs

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

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

₹ in lakhs

NOTE 6A : INVESTMENTS	As at 31.03.2024	As at 31.03.2023
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd. Face Value 1,000 Equity Shares of ₹ 10/- each (Previous year 1,000) Presented as per Fair Market Value as per Ind AS Requirement	1.19	1.07
II. Unquoted		
Saraswat Co-operative Bank Ltd.	0.01	0.01
50 Equity Shares of ₹ 10/- each (Previous year 50)		
S.V. Co-operative Bank Ltd	0.03	0.03
100 Equity Shares of ₹ 25/- each (Previous year 100)		
TOTAL	**1.23**	**1.11**

₹ in lakhs

NOTE 6B : TRADE RECEIVABLES	As at 31.03.2024	As at 31.03.2023
Trade Receivables considered good - Secured*	322.15	-
Trade Receivables considerd good - Unsecured	20,742.07	18,188.17
Trade Receivables which have Significant increase in Credit Risk	(15.63)	-
Trade Receivables - credit impaired	(9.37)	(43.54)
TOTAL	**21,039.22**	**18,144.63**

*Sales against Letter of Credit

₹ in lakhs

Trade Receivables ageing schedule for the year ended 31 st March 2024							
Particulars	**Outsanding for following periods from due date of payment**						
	Amount not due	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	19,011.99	2,038.39	7.70	2.90	3.11	0.13	21,064.22
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	(2.88)	(2.09)	(1.24)	(3.11)	(0.05)	(9.37)
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
(vii) Less : allowances for Credit losses		(11.15)	(2.99)	(1.41)	-	(0.08)	(15.63)
Total {(i)-[(ii)-(iii)]}+{(iv)-[(v)-(vi)]}-(vii)}	**19,011.99**	**2,024.36**	**2.62**	**0.25**	**-**	**-**	**21,039.22**

₹ in lakhs

Trade Receivables ageing schedule for the year ended 31 st March 2023							
Particulars	**Outsanding for following periods from due date of payment**						
	Amount not due	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	16,728.60	1,401.90	10.66	46.88	0.05	0.08	**18,188.17**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	(43.54)	-	-	**(43.54)**
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	**-**
Total {(i)-[(ii)-(iii)]}+{(iv)-[(v)-(vi)]}	**16,728.60**	**1,401.90**	**10.66**	**3.34**	**0.05**	**0.08**	**18,144.63**

₹ in lakhs

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

₹ in lakhs

NOTE 6D : OTHER BANK BALANCES	As at 31.03.2024	As at 31.03.2023
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account (Refer note)	10.20	8.73
Term Deposits - held as margin money for NFB limits	3,286.14	2,537.73
Other Deposits	54.90	-
Other bank balances - Total	**3,351.24**	**2,546.46**

Note:

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

₹ in lakhs

NOTE 6E : OTHER FINANCIAL ASSETS	As at 31.03.2024	As at 31.03.2023
Interest accrued on Deposits	125.21	86.25
Earnest Money Deposit Amount	14.25	-
TOTAL	**139.46**	**86.25**

₹ in lakhs

NOTE 7 : OTHER CURRENT ASSETS	As at 31.03.2024	As at 31.03.2023
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	295.63	1,184.41
Central Excise, Sales tax, GST etc.,	4,368.43	1,981.94
Export Incentive Receivables	340.96	35.66
State Industrial Promotion Subsidy receivables	5,663.25	1,410.86
Income Tax and other taxes	198.58	240.66
Employees	2.92	2.99
Prepaid expenses	658.99	684.86
TOTAL	**11,528.76**	**5,541.38**

₹ in lakhs

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

Notes

(a) Reconciliation of equity shares

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

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

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

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

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

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

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

* Promoter Group

(e)Dividend paid:

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

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

₹ in lakhs

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

Securities Premium

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

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

General Reserve

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

Retained Earnings

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

₹ in lakhs

NOTE 10 A : BORROWINGS	As at 31.03.2024	As at 31.03.2023
A. Secured Loans		
Term Loans from Banks(Refer Note a)	23,247.78	8,996.94
Term Loans from others (Refer Note b)	134.83	184.01
Sub total	**23,382.61**	**9,180.95**
Vehicle Loans		
From Lenders (Refer Note c)	401.73	496.96
Sub total	**401.73**	**496.96**
Total - A	**23,784.34**	**9,677.91**
B. Unsecured loans		
From related parties (Refer Note d)	2,510.00	2,510.00
Total - B	**2,510.00**	**2,510.00**
TOTAL - (A+B)	**26,294.34**	**12,187.91**

Terms and conditions of Loans and Security

(a) Term Loans from Banks

₹ in lakhs

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

(b) Term Loans from Others

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

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029

(d) Unsecured loans ₹ 2,510 lakhs (previous year ₹ 2,510 lakhs) brought in by the promoters and promoters group as subordinate debt to the secured debt, Carrying interest rate in the range of 7.99% to 8.74% p.a

Notes :

1) Pari passu 1st charge on present and future Fixed Assets of the Company and pari passu 2nd charge on present and future Current Assets of the Company and guaranteed by the promoters of the company. Further, SBI is having exclusive charge on immovable properties of Promoters and pledge of 19,44,530 shares of Promoters holding. Term loans carry interest rate in the range of 9.25% to 10.20% p.a.

2) WCTL/GECL loans are secured by Pari Passu 2nd charge on present and future Fixed Assets and Current Assets of the Company and 2nd Pari Passue charge on 19,44,530 pledge of shares along with other working capital lenders in consortium and these are repayable at an interest rate range from 9.15%% to 9.25%

₹ in lakhs

Note 10B : LEASE LIABILITY	As at 31.03.2024	As at 31.03.2023
Lease Liability	6,258.49	5,403.58
TOTAL	**6,258.49**	**5,403.58**

₹ in lakhs

Note 11 : PROVISIONS	As at 31.03.2024	As at 31.03.2023
Provision for Gratuity*	847.93	157.17
Provision for Leave encashment*	315.11	133.49
Provision for Dismantling of Property, Plant & Equipment#	566.27	526.39
TOTAL	**1,729.31**	**817.05**

* Refer note no.25.4

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

₹ in lakhs

Note 12 : DEFERRED TAX LIABILITIES (NET)*	As at 31.03.2024	As at 31.03.2023
At the beginning of the year	851.08	912.30
Provision for the year	(485.56)	(61.22)
Closing balance	**365.52**	**851.08**

* Refer note no.25.15

₹ in lakhs

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

Note:

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

(b) Refer Note 10A

₹ in lakhs

NOTE 13B : LEASE LIABILITY	As at 31.03.2024	As at 31.03.2023
Lease Liability	1,689.94	1,248.55
TOTAL	**1,689.94**	**1,248.55**

₹ in lakhs

NOTE 13C : TRADE PAYABLES	As at 31.03.2024	As at 31.03.2023
Dues to micro enterprises and small enterprises (Refer Note 25.18)*	254.28	136.05
Dues to other enterprises	22,500.89	24,994.29
TOTAL	**22,755.17**	**25,130.34**

Note:

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

* The amount mentioned is principal only.

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

₹ in lakhs

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

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

₹ in lakhs

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

₹ in lakhs

NOTE 13D : OTHER FINANCIAL LIABILITIES	As at 31.03.2024	As at 31.03.2023
Unclaimed Dividend	10.20	8.73
Interest accrued*	78.96	26.98
Others	1,176.67	796.78
TOTAL	**1,265.83**	**832.49**

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

₹ in lakhs

NOTE 14 : OTHER CURRENT LIABILITIES	As at 31.03.2024	As at 31.03.2023
Advances from Customers	77.68	298.31
Other Liabilities	239.39	155.12
TOTAL	**317.07**	**453.43**

₹ in lakhs

NOTE 15 : PROVISIONS	As at 31.03.2024	As at 31.03.2023
Provision for employee benefits :		
Provision for Gratuity	110.58	72.36
Provision for Bonus	388.90	324.97
Provision for Leave encashment	117.61	27.81
TOTAL	**617.09**	**425.14**

₹ in lakhs

NOTE 16 : INCOME TAX LIABILITIES (NET)	As at 31.03.2024	As at 31.03.2023
Provision for taxation (net)	2,708.77	239.24
TOTAL	**2,708.77**	**239.24**

₹ in lakhs

NOTE 17 : REVENUE FROM OPERATIONS	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Sales & Services:		
Sale of Products	1,33,513.94	1,23,284.27
Job work & Service Income	1,072.20	767.72
Gross Sales & Services (inclusive of GST)	**1,34,586.14**	**1,24,051.99**
Less : GST	(13,706.45)	(13,114.22)
Net Sales & Services	**1,20,879.69**	**1,10,937.77**
Sale of Products	1,19,925.49	1,10,248.34
Job work & Service Income	954.20	689.43
Net Sales & Services	**1,20,879.69**	**1,10,937.77**
Less : Discounts to Customers	(1,705.11)	(1,461.57)
Revenue from Sales & Services	**1,19,174.58**	**1,09,476.20**
Export incentives and others	985.06	540.95
Revenue from Operations	**1,20,159.64**	**1,10,017.15**

₹ in lakhs

NOTE 18 : OTHER INCOME	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Interest on Deposits	267.56	177.86
Profit on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	12.90	21.70
Profit on Lease Modification	0.99	-
State Industrial Promotion Subsidy	4,354.02	1,479.08
Other Misc. Receipts	185.29	104.04
Change in Fair Value of Investments	0.13	0.37
TOTAL	**4,820.89**	**1,783.05**

₹ in lakhs

NOTE 19 : COST OF MATERIALS CONSUMED	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Opening stock	13,691.87	16,900.78
Add: Purchases	83,287.12	74,934.32
Less : Material in Transit - Raw Material	(857.54)	(289.23)
Less: Closing stock	(16,080.49)	(13,402.64)
Consumption	**80,040.96**	**78,143.23**

₹ in lakhs

NOTE 20: CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP	For the Year ended 31.03.2024	For the Year ended 31.03.2023
A. Opening stocks:		
Work-in-process	3,669.33	4,597.69
Finished goods	4,489.04	3,609.12
Scrap	22.72	61.85
Total - A	**8,181.09**	**8,268.66**
B. Closing stocks:		
Work-in-process	5,174.16	3,669.33
Finished goods	2,334.28	4,489.04
Scrap	122.24	22.72
Total - B	**7,630.68**	**8,181.09**
C. (Increase)/Decrease in stocks (A-B)	**550.41**	**87.57**

₹ in lakhs

Note 21 : EMPLOYEE BENEFITS EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Employees remuneration and benefits	9,439.41	7,762.23
Contribution to PF/ESI*	370.76	358.92
Gratuity expenses*	167.84	59.79
Remuneration to Directors	192.72	192.72
Staff welfare expenses	645.75	471.98
TOTAL	**10,816.48**	**8,845.64**

***Refer note no.25.4**

₹ in lakhs

Note 22 : FINANCE COSTS	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Interest on Long term debt*	1,341.56	1,315.98
Interest on short term debt	2,004.12	1,375.51
Interest others	687.59	463.90
Other Finance cost	921.43	1,094.95
Forex Loss/(Gain) (net)	44.60	215.07
TOTAL	**4,999.30**	**4,465.41**

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

₹ in lakhs

Note 23 : OTHER EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Consumption of Stores, Spares, Tools & Dies	2,994.90	1,763.30
Power & fuel	1,402.45	1,056.03
Repairs & Maintenance :		
Plant	358.93	203.47
Building	54.43	17.89
Vehicles	39.98	16.08
Maintenance charges	175.22	121.64
Other Assets	112.88	92.09
Credit Risk Impaired	9.37	43.54
Credit Risk Allowance	15.63	(0.55)
Other selling & Distribution expenses	733.31	574.40
Packing Cost	1,555.75	1,269.07
Carriage outwards	659.99	538.36
Travelling & Conveyance	431.94	237.59
Insurance	421.72	263.93
Rent	55.77	20.17
Rates & Taxes (Excluding Taxes on Income)	96.39	107.76
Director's Sitting Fees	28.75	23.75
Forex loss on Export Receivables and Imports Payables	111.66	412.04
Remuneration to auditors :	-	-
Audit Fee	15.25	15.25
Tax Audit Fee	5.25	5.25
Certification Fee /Taxation matter	16.05	15.00
Out of Pocket Expenses	1.30	0.75
Communication Expenses	49.95	47.54
Professional consultancy	782.75	533.70
CSR Expenses	131.00	21.61
Miscellaneous Expenses	720.18	402.59
TOTAL	**10,980.80**	**7,802.25**

₹ in lakhs

NOTE 24 : TAX EXPENSES	For the Year ended 31.03.2024	For the Year ended 31.03.2023
Current tax	3,523.79	2,130.09
Tax relating to earlier years	(6.48)	(1.31)
Deferred (credit)/expenses	(485.56)	(61.22)
Deferred (credit)/expenses on other comprehensive income	139.79	39.82
TOTAL	**3,171.54**	**2,107.38**

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS

25.1. Earnings per share (EPS) from continuing operations

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

25.2 Contingent Liabilities & Commitment

₹ in lakhs

Particulars	As at 31.03.2024	As at 31.03.2023
(A) Contingent Liabilities		
a. **Claims against the company not acknowledged as debts**:		
(i) Service Tax Liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to December, 2011.	**68.55***	68.55*
(ii) GST liability for which appeals preferred by the Company is pending with Superintendent of Central tax – Range III, Div-IV, Pune-1 for the FY 2017-18	**3.79***	3.79*
(iii) GST liability for which appeals preferred by the Company is pending with Deputy Commissioner State Tax, Pune for the FY 2018-19	**0.80***	0.80*
(iv) GST liability for which appeals to be filed with the Commissioner of appeals Hyderabad -1 for the FY 2017-18	**10.04**	-
(v) GST liability for which appeals preferred by the Company is pending with the commissioner of appeals Hyderabad -1 for the FY 2016-2017 to 2021-2022.	**6.84**	-
(vi) Income Tax Liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18	**923.08***	923.08*
(vii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2018-19	**5.14***	5.14*
(viii) Income Tax Liability for which appeal preferred by the company is pending with commissioner of Income tax Hyderabad for the AY 2020-21	**38.24***	38.24*
b. **Income Recognized against the scrip generation (under RodTEP scheme) and pending for generation of EBRC**	**154.70**	17.01
c. **Duty Payable incase nonperformance of Export obligation in futures periods against EPCG License**	**235.60**	466.74
d. **Duty Payable incase nonperformance Export obligation against advance Licenses**	**0.00**	708.52
B) Commitments		
(i) Bank guarantees	**1166.22**	1236.45
(ii) Estimated amount of liability on account of Capital Commitments	**6857.85**	4546.57

* No provision is considered since the Company expects favorable decision and the above liability is excluding Interest and Penalty. The company has deposited 193.30 lakhs towards

Income Tax liabilities which are classified under "Income tax and other taxes" under Current Assets.

25.3. Capital management.

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

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

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

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

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

₹ in lakhs

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

25.4. Employee Benefit Plans

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

A) Defined Benefit Plan

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

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

₹ in lakhs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2023-24	**2022-23**	**2023-24**	**2022-23**
Present Value of Obligation as at the beginning of the year	**509.90**	482.35	**161.30**	149.50
Interest Cost	**36.24**	31.60	**10.32**	8.77
Current Service Cost	**155.08**	49.26	**107.73**	37.29
Benefits paid	**(39.12)**	(81.36)	**(43.29)**	(53.96)
Actuarial (gain)/ loss on obligations	**558.76**	28.05	**196.66**	19.70
Present Value of Obligation as at the end of the year	**1220.86**	509.90	**432.72**	161.30
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	**1220.86**	509.90	**432.72**	161.30
Fair Value of Plan Assets as at the end of the year	**262.35**	280.37	**-**	-
Funded Status	**(958.51)**	(229.53)	**(432.72)**	(161.30)
Net Asset / (Liability) Recognized in Balance Sheet	**(958.51)**	(229.53)	**(432.72)**	(161.30)
Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost	**155.08**	49.26	**107.73**	37.29
Past Service Cost	**-**	-	**-**	-
Interest Cost	**36.24**	31.60	**10.32**	8.77
Expected Return on Plan Assets	**(19.27)**	(21.07)	**-**	-
Net actuarial (gain)/ loss recognized in the year	**561.14**	31.74	**196.66**	19.70
Expenses Recognized in the Statement of Profit & Loss	**733.18**	91.53	**314.71**	65.76
Acquisition Adjustments	**4.20**			
Fair Value of the Planned Assets at the beginning of the year	**280.37**	244.35	**-**	-
Employer's contribution	**-**	100.00	**-**	-
Interest on Planned Assets	**16.89**	17.38	**-**	-
Actual return on plan assets less interest on plan assets	**-**	-	**-**	-
Benefits paid	**(39.11)**	(81.36)	**-**	-
Asset acquired/(settled)	**-**	-	**-**	-
Present Value of Planned Assets at the end of the year	**262.35**	280.37	**-**	-

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

₹ in lakhs

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

Rate of return for the plan asset

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

Sensitivity Analysis – Gratuity Plan

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

₹ in lakhs

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

B) Defined Contribution Plan

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

₹ in lakhs

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

25.5. Details of consumption of Raw Material

₹ in lakhs

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

25.6. Stock and Turnover of Manufactured and Traded goods

₹ in lakhs

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

25.7. Stock of Work in process

₹ in lakhs

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

25.8. CIF Value of Imports

₹ in lakhs

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

25.9. Earnings in Foreign Currency

₹ in lakhs

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

25.10. Expenditure in Foreign Currency

₹ in lakhs

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

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

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

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

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

25.12. Segment Reporting

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

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

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

Information by Geographies:

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

a) **Revenue from External Customers:**

₹ in lakhs

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

b) **Assets:**

₹ in lakhs

Segment Assets	Carrying amount of assets	
	As at 31.03.2024	**As at 31.03.2023**
India	**117459.00**	87332.95
Outside India	**15539.58**	10462.65
TOTAL	**132998.58**	**97795.60**

c) Revenue from Major Customers:

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

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

25.13. Financial Instruments

(A) Fair values hierarchy

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

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

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

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

₹ in lakhs

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

(B) Financial Risk Management

The Company has exposure to the following risk:

Credit Risk:

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

Liquidity Risk:

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

Market Risk:

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

25.14. Related party disclosures

List of Related parties

I Wholly Owned Subsidiary

(i) Pitti Rail and Engineering Components Limited

II Entity having significant influence over the entity

(i) Pitti Electrical Equipment Private Limited

III Key Management Personnel

Executive Promoter Directors

(i) Shri Sharad B Pitti, Founder & Chairman

(ii) Shri Akshay S Pitti, Managing Director & Chief Executive Officer

Independent & Non-Executive Directors

(i) Ms. Gayathri Ramachandran, Independent Director

(ii) Shri G. Vijaya Kumar, Independent Director

(iii) Shri M. Gopalakrishna, Independent Director

(iv) Shri N.R Ganti, Independent Director

(v) Shri S. Thiagarajan, Independent Director

(vi) Shri Y B Sahgal, Independent Director (From 09-11-2023)

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

Others

(i) Shri N.K Khandelwal, President Corporate Resource & CFO (till 13.04.2022)

(ii) Shri M Pavan Kumar, Chief Financial Officer (From 12.11.2022)

(iii) Ms. Mary Monica Braganza, Company Secretary & Chief Compliance Officer

IV **Other Related Parties with whom transactions have taken place**

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

(i) Pitti Casting Private Limited

(ii) Pitti Trade & Investment Private Limited

The Relative of Executive Promoter Directors

(i) Smt Madhuri S Pitti

(ii) Smt Radhika A Pitti

(iii) Sharad B Pitti (HUF)

A. **Transactions/balances outstanding with related parties:**

For the Financial Year 2023-24

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration	-	**302.56**	**15.25**	**317.81**
2	Rent / Lease Expenses	-	**110.88**	**204.30**	**315.18**
3	Rent / Lease Income	-	-	**1.74**	**1.74**
4	Purchases of goods	31.89	-	13253.17	**13285.06**
5	Purchases of Property, plant & equipment			36.51	**36.51**
6	Job work charge			3.45	**3.45**
7	Sales of goods	-	-	539.52	**539.52**
8	Job work income			129.39	**129.39**
11	Interest paid	**212.04**	-	-	**212.04**
12	Amount payable at the year end	**2547.59**	**34.80**	**1155.81**	**3738.20**
13	Amount receivable at the year end	-	**20.21**	**40.02**	**60.23**
14	Investments at the year end	-	-	**1520.23**	**1520.23**

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

For the Financial Year 2022-23

₹ in lakhs

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

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

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

₹ in lakhs

Sl. No.	Particulars	For the year 2023-24	For the year 2022-23
1	**Shri Sharad B Pitti**		
	- Remuneration	**98.78**	98.78
	- Lease Rental	**110.88**	104.16
	- Dividend	**-**	102.22
	- Amount Payable at the year end	**5.34**	5.57
	- Amount Receivable at the year end (Rent deposit)	**20.21**	20.21
2	**Shri Akshay S Pitti**		
	- Remuneration	**98.78**	98.78
	- Dividend	**-**	99.37
	- Interest on Unsecured Loans	**-**	144.14
	- Unsecured Loans Received	**-**	2,700.00
	- Unsecured Loans Repaid	**-**	5,210.00
	- Amount Payable at the year end	**4.63**	5.22
3	**Pitti Electrical Equipment Pvt Ltd**		
	- Interest on Inter Corporate Deposits	**212.04**	145.20
	- Purchase of Goods	**31.89**	836.18
	- Dividend	**-**	203.21
	- Intercorporate Deposits Received	**-**	5575.00
	- Intercorporate Deposits Repaid	**-**	3065.00
	- Amount Payable at the year end	**2547.59**	3194.98

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

25.15. Deferred Tax

₹ in lakhs

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

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

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

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

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

₹ in lakhs

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

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

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

₹ in lakhs

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

₹ in lakhs

Particulars	As at 31st March 2023		Year Ended 31st March 2023					
	Net Assets i,e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	As a % of Consoli-dated net assets	Amt	As a % of Consoli-dated profit or Loss	Amt	As a % of other compre-hensive income	Amt	As a % of total compre-hensive income	Amt
Parent								
Pitti Engineering Limited	100.02%	33408.67	100%	5883.28	100%	(118.40)	100%	5764.88
Subsidiary								
Pitti Rail & Engineering Components Limited	0.00%	(0.16)	0%	0.21	-	-	100%	0.21
Total Elimination	(0.02)%	(5.00)	-	-	-	-	-	-
Total	**100%**	**33403.51**	**100%**	**5883.49**	**100%**	**(118.40)**	**100%**	**5765.09**

25.20. Right of Use of Assets

For the Financial Year 2023-24

₹ in lakhs

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

For the Financial Year 2022-23

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2022	174.05	2229.48	5832.00	64.57	-	8300.10
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	1064.77	-	-	1064.77
Deletions/Adjustments	-	16.13	997.77	-	-	1013.90
Depreciation	17.88	156.55	723.97	24.05	-	922.45
Balance as on 31st March 2023	**156.17**	**2056.80**	**5175.03**	**40.52**	**-**	**7428.52**

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

25.22. Financial and Derivative Instruments:

₹ in lakhs

Description	As at 31.03.2024	As at 31.03.2023
Forward Contracts	**11460.08**	9744.75

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

25.23. Statutory Auditor's Remuneration

₹ in Lakhs

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

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

25.25. Business Combinations

Scheme of Amalgamation

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

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

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

The Board of the Company has recommended the following share exchange ratio for the amalgamation of PCPL with the Company:
"01 (One) equity share of PEL of INR 05/- each, fully paid-up for every 55 (Fifty-Five) equity shares of PCPL of INR 10/- each, fully paid-up ("Share Exchange Ratio")
Since all the shares of PRECL are held by the Company, no consideration shall be payable pursuant to the amalgamation of PRECL.

The Company had filed the Scheme with Stock Exchanges on 26th June 2023 and received their no objection on 26th October 2023. Further, the Company has received approval from the shareholders and creditors pursuant to an National Company Law Tribunal (NCLT) convened meeting on 22nd March 2024. A joint petition has been filed with the NCLT, Hyderabad bench on 29th March 2024 and the same is reserved for hearing on 07th June 2024. Pending receipt of necessary approvals, no effect of the Scheme has been given in the financial results for the quarter and year ended 31st March 2024.

<u>Acquisition:</u>

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

25.26. Key Ratios

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

* Debt excludes lease liabilities.

Note1:

(a) Increase in Debt Equity ratio due to Increase in Term loans to the extent Property, Plant & Equipment got increased and increase in utilization of working capital limits.

(b) Decrease in debt service coverage ratio due to increase in Term loans.

(c) Decrease in Net Capital Turnover ratio due to increase in utilization of working limits.

Definitions:

(a) Current Assets = Total Current Assets as per Balance Sheet
(b) Current Liabilities = Total Current Liabilities as per Balance Sheet
(c) Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet
(d) Equity/Shareholder Equity = Total Equity as per Balance Sheet
(e) EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings
(f) Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)
(g) Average Inventory = (Opening Inventory + Closing Inventory)/2
(h) Average Receivables = (Opening Receivables + Closing Receivables)/2
(i) Average Payables = (Opening Payables + Closing Payables)/2
(j) Working Capital = Current Assets – Current Liabilities
(k) Capital Employed = Total Assets- Current Liabilities
(l) Earnings from Investor Funds = Earnings from Investments
(m) Average Investment Funds = (Opening Investment s+ Closing Investments)/2

25.27. Other Statutory Information

(i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) The Group does not have any transactions with companies struck off.

(v) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017.

(vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).

(x) Corporate Social Responsibility (CSR) :

₹ in lakhs

Sl.No	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	130.63	90.39
b.	Less : Excess incurred Previous Financial year	(0.70)	(69.48)
c.	Net amount should be incurred for the during the period	129.93	20.91
d.	Amount of expenditure incurred	131.00	21.61
e.	(Excess)/Shortfall at the end of the year	(1.07)	(0.70)
f.	Total of previous years shortfall	-	-
g.	Reason for shortfall	-	-
h.	Nature of CSR Activities	1) Promotion of Health Care 2) Protection of National Heritage 3) Promotion of National Recognized Sports 4) Animal Welfare 5) Promotion of Education & Culture	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance 3) Education
i.	Details of related party transactions, e.g., contribution to a trust controlled by the company	Nil	Nil
j.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

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

As per our report of even date

For and on behalf of the Board of Directors of

Pitti Engineering Limited
CIN :L29253TG1983PLC004141

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Amit Shah
Partner
M.No: 122131

G Vijaya Kumar
Director
DIN:00780356

M Pavan Kumar
Chief Financial Officer
M. No:F216936

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

Place: Hyderabad
Date :15th May 2024

Place: Hyderabad
Date :15th May 2024

Independent Auditor's Report

TO
THE MEMBERS OF
PITTI ENGINEERING LIMITED

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **PITTI ENGINEERING LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") , which comprise the consolidated balance sheet as at 31st March 2023, the consolidated statement of Profit and Loss(including other comprehensive income), the consolidated statement of cash flows, the consolidated statement of changes in equity for the year then ended and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information here in after referred to as ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information other than the Consolidated Financial Statements and Auditor's Report Thereon:

The Holding Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information and other information in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules,2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for Audit of Consolidated Financial Statements:

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control with reference to consolidated financials in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, then to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with those charged with governance of the Holding Company and such other entities including in the consolidated financial statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended 31st March, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

    (b) In our opinion, proper books of account as required by law have been kept by the relating to preparation of the aforesaid consolidated financial statements have been kept so far so far as it appears from our examination of those books;

    (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including other Comprehensive Income, the Statement of Cash Flows, and the consolidated Statement of Changes in Equity dealt with by this Report agree with the relevant books of account maintained for the purpose of preparation of consolidated financial statement.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("IND AS") specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules,2015, as amended.

    (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary as on 31st March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**".

    (g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its Subsidiary to their directors during the year is in accordance with the provisions of section 197 of the act read with Schedule V to the Act.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position in its financial statements – Refer to Note 25.02 to the consolidated financial statements;

        (ii) The Group does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as on 31st March, 2023;

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

        (iv) (a) The respective management of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, no funds have been received by the Company or its subsidiary company incorporated in India from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

(v) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent Company, we report that there are no qualifications or adverse remarks in the CARO reports of the said companies included in the consolidated financial statements.

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

Amit Shah
Partner
Membership Number: 122131
UDIN: 23122131BGYHKQ2037

Place of Signature: Hyderabad
Date: 29th May 2023

Annexure - A to the Auditors' Report

(Referred to in paragraph 2 (f) under the heading "Report on other Legal and Regulatory Requirements" of our report to the members of Pitti Engineering Limited on the consolidated financial statements as on 31st March, 2023)

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

We have audited the internal financial controls over financial reporting of PITTI ENGINEERING LIMITED ("the Company") as of 31st March 2023, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of consolidated financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary company which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Amit Shah
Partner
Membership Number: 122131
UDIN: 23122131BGYHKQ2037

Place of Signature: Hyderabad
Date: 29th May 2023

Consolidated Balance Sheet

as at 31st March 2023

₹ in lakhs

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

Significant accounting policies and the accompanying notes 1 to 25 are an integral part of the consolidated Financial Statements.

As per our report of even date

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

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

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

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

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Statement of Profit & Loss

for the year ended 31st March 2023

₹ in lakhs

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

Significant accounting policies and the accompanying notes 1 to 25 are an integral part of the consolidated Financial Statements.

As per our report of even date

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

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

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

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

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Statement of Changes In Equity

for the year ended 31st March 2023

(a) Equity Share Capital

₹ in lakhs

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

(b) Other Equity

₹ in lakhs

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

Significant accounting policies and the accompanying notes 1 to 25 are an integral part of the consolidated Financial Statements.

As per our report of even date

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

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

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
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Amit Shah
Partner
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NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Consolidated Cash Flow Statement

for the year ended 31st March 2023

₹ in lakhs

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

Consolidated Cash Flow Statement

for the year ended 31st March 2023

₹ in lakhs

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

As per our report of even date

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

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

Sharad B Pitti
Chairman & Managing Director
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Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1. CORPORATE INFORMATION

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

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

1.2. BASIS OF PREPARATION AND PRESENTATION

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

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

The shareholders have the power to amend the Financial Statements after the issue.

1.3. PRINCIPLES OF CONSOLIDATION

(a) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like-items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

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

(d) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

1.4. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of Accounting

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act,2013 as amended from time to time.

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

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

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

(b) Significant accounting judgments, estimates and assumptions

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

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

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

(c) Current/ Non-Current Classification

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

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

1.4. PROPERTY, PLANT AND EQUIPMENT

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

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

Such cost includes the cost of replacing part of the plant and equipment, costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same were depreciated separately based on their specific useful lives.

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

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

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

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

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

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

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

'Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, Plant and Equipment is provided on straight-line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing 5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

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

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

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

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

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

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

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

Development expenditures on an individual product/ project are recognized as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

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

Subsequent cost

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

De-recognition

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

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

INVESTMENT PROPERTY

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

1.5. REVENUE RECOGNITION

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

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

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

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

(a) Interest income

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

(b) Dividend income

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

(c) Other income

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

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

1.6. INVESTMENTS

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

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

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

1.7. INVENTORIES

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

(b) The cost of inventories is computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

(c) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

1.8. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

(a) Initial Recognition

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

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

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

1.9. EMPLOYEE BENEFITS

Defined Contribution Plan

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

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

Defined Benefit Plan

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

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

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

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

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognizes related restructuring costs

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

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

(ii) Net interest expense or income

Termination Benefits

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

1.10. BORROWING COSTS

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

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

1.11. LEASES

The Group as a lessee

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

(i) The contract involves the use of an identified asset.

(ii) The Group has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) The Group has the right to direct the use of the asset.

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

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

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

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

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

1.12. IMPAIRMENT

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

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

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

1.13. EARNINGS PER SHARE

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

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

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

1.14. SEGMENT REPORTING

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

1.15. PROVISIONS AND CONTINGENCIES

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

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

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

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

1.16. TAXATION

Current Income Tax

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

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

The Group has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2022 have been made accordingly.

Deferred Tax

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

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

1.17. FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Recognition and Measurement

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

However, Trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent Measurement

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

(i) Debt instruments at amortized cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

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

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

   And

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity Investments

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

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

Derecognition

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

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

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

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

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

Fair Value Measurement

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

Levels of Risk in Fair Value Measurement:

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

Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

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

1.18 EXCEPTIONAL ITEM

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

1.19 GOVERNMENT GRANT

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

Consolidated Notes to Financial Statements

for the year ended 31st March 2023

NOTE 2

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

₹ in lakhs

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

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

Capital Work in Progress ageing schedule

₹ in lakhs

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

NOTE : 2B INTANGIBLE ASSETS

₹ in lakhs

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

NOTE: 2C RIGHT OF USE ASSETS

₹ in lakhs

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

Note: 2D INVESTMENT PROPERTY*

₹ in lakhs

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

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

NOTE 3A : INVESTMENTS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Investment with Pitti Castings Private Ltd (Unquoted)		
a. Equity Shares	**281.52**	**408.00**
(40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000) Presented as per Fair Market Value as per Ind AS Requirement		
b. Redeemable Preferential shares	**1,233.00**	**1,233.00**
(1,23,30,000 Preferential shares (non-cumulative non-participative redeemable) at face value ₹ 10/- each)		
TOTAL OF UNQUOTED INVESTMENTS	**1,514.52**	**1,641.00**

NOTE 3B : OTHER FINANCIAL ASSETS

₹ in lakhs

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

NOTE 4 : OTHER NON CURRENT ASSETS

₹ in lakhs

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

NOTE 5 : INVENTORIES

₹ in lakhs

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

NOTE 6A : INVESTMENTS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd.	1.07	0.69
Face Value 1,000 Equity Shares of ₹ 10/- each		
Presented as per Fair Market Value as per Ind AS Requirement		
II. Unquoted		
Saraswat Co-operative Bank Ltd.	0.01	0.01
50 Equity Shares of ₹ 10/- each		
S.V. Co-operative Bank Ltd	0.03	0.03
100 Equity Shares of ₹ 10/- each		
TOTAL	**1.11**	**0.73**

NOTE 6B : TRADE RECEIVABLES

₹ in lakhs

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

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

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	16,728.60	1,401.90	10.66	46.88	0.05	0.08	18,188.17
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	(43.54)	-	-	(43.54)
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total {(i)-[(ii)-(iii)]}+{(iv)-[(v)-(vi)]}	**16,728.60**	**1,401.90**	**10.66**	**3.34**	**0.05**	**0.08**	**18,144.63**

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

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	18,066.78	2,341.29	17.06	0.36	0.90	71.22	20,497.61
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	(0.55)	(0.55)
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	(70.60)	(70.60)
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total {(i)-[(ii)-(iii)]}+{(iv)-[(v)-(vi)]}	**18,066.78**	**2,341.29**	**17.06**	**0.36**	**0.90**	**0.07**	**20,426.46**

NOTE 6C : CASH AND CASH EQUIVALENTS

₹ in lakhs

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

NOTE 6D : OTHER BANK BALANCES

₹ in lakhs

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

Note:

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

NOTE 6E : OTHER FINANCIAL ASSETS

₹ in lakhs

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

NOTE 7 : OTHER CURRENT ASSETS

₹ in lakhs

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

NOTE 8 : EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised Capital		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹ 5/- each	3000.00	3,000.00
TOTAL	**3,000.00**	**3,000.00**
Issued, Subscribed and Paid up		
3,20,50,067 (Previous year 3,20,50,067) Equity shares of ₹ 5/- each	1602.50	1,602.50
8,300 (Previous year 8,300) Equity Shares forfeited of ₹ 5/- each	0.42	0.42
TOTAL	**1,602.92**	**1,602.92**

Notes

(a) Reconciliation of equity shares

₹ in lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,20,50,067	1,602.50	3,20,50,067.00	1,602.50
Issued during the period	-	-		-
At the closing of the period	**3,20,50,067**	**1,602.50**	**3,20,50,067**	**1,602.50**

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

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

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

₹ in lakhs

Name of the shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% of Total shares	No. of Shares	% of Total shares
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19
Smt Madhuri S Pitti	17,58,620	5.49	17,58,620	5.49
Pitti Electrical Equipment Pvt Ltd	86,47,267	26.98	86,46,667	26.98

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

₹ in lakhs

Promoter Name	As at 31.03.2023		As at 31.03.2022		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57	-
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19	-
Smt Madhuri S Pitti*	17,58,620	5.49	17,58,620	5.49	-
Pitti Electrical Equipment Pvt Ltd*	86,47,267	26.98	86,46,667	26.98	-
Sharad B Pitti HUF*	17,000	0.06	17,000	0.06	-

* Promoter Group

NOTE 8 : EQUITY SHARE CAPITAL (Contd..)

(e) Dividend paid:

₹ in lakhs

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

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

NOTE 9 : OTHER EQUITY

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Securities Premium		
At the beginning of the year	8,106.46	8,106.46
Add: during the period	-	-
At the closing of the period	**8,106.46**	**8,106.46**
General Reserve		
At the beginning of the year	750.48	750.48
Less: adjustment as per Schedule -II of Companies Act, 2013	-	-
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	**750.48**	**750.48**
Retained Earnings		
At the beginning of the year	17,861.55	13,051.83
Less : Final dividend declared for previous year	(272.43)	-
Add : Profit/(Loss) for the period	5,883.21	5,186.31
Less : Interim dividend for the year	(480.75)	(376.59)
Less : Transferred to general reserve during the year	-	-
At the closing of the period	**22,991.58**	**17,861.55**
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	139.68	163.43
Change in fair value of current investment	(187.61)	(93.24)
Net Surplus in the Statement of Profit and Loss	**(47.93)**	**70.19**
TOTAL	**31,800.59**	**26,788.68**

Securities Premium

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

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

General Reserve

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

Retained Earnings

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

NOTE 10A : BORROWINGS

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
A. Secured Loans		
Term Loans from Banks (Refer Note a)	8,996.94	8,447.13
Term Loans from others (Refer Note b)	184.01	-
Sub total	9,180.95	8,447.13
Vehicle Loans		
From Lenders (Refer Note c)	496.96	61.71
Sub total	**496.96**	**61.71**
Total - A	**9,677.91**	**8,508.84**
B. Unsecured loans		
From related parties (Refer Note d)	2,510.00	2,510.00
Total - B	**2,510.00**	**2,510.00**
TOTAL - (A+B)	**12,187.91**	**11,018.84**

Terms and conditions of loans and security

(a) Term Loans from Banks

₹ in lakhs

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

(b) Term Loans from Others

₹ in lakhs

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

NOTE 10A : BORROWINGS (Contd..)

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029

(d) Unsecured loans ₹ 2,510 lakhs (previous year ₹ 2,510 lakhs) brought in by the promoters and promoters group as subordinate debt to the secured debt.

Notes :

1) Pari passu 1st charge on present and future Fixed Assets of the Company and pari passu 2nd charge on present and future Current Assets of the Company. further all loans are guaranteed by the promoters of the company. Further, SBI is having exclusive charge on immovable properties of Promoters and pledge of 19,44,530 shares of Promoters holding. Term loans carry interest rate in the range of 8.50% to 10.75% p.a.

2) WCTL/GECL loans are secured by Pari Passu 2nd charge on present and future Fixed Assets and Current Assets of the Company and 2nd Pari Passue charge on 19,44,530 pledge of shares along with other working capital lenders in consortium and these are repayable at an interest rate range from 8.00% to 9.25%

NOTE 10B : LEASE LIABILITY

₹ in lakhs

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

NOTE 11 : PROVISIONS

₹ in lakhs

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

* Refer note no. 25.3

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

NOTE 12 : DEFERRED TAX LIABILITIES (NET)*

₹ in lakhs

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

* Refer note no. 25.14

NOTE 13A : BORROWINGS

₹ in lakhs

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

Note:

(a) Working capital facilities are availed at interest rate ranging from 5.50% p.a. to 9.30% p.a. which are secured on a pari paasu first charge basis against hypothecation of Inventory (stocks), Trade Receivables and all other current assets both present and future, pari passu second charge on movable and immovable properties of the Company both present and future, pledge of 19,44,530 shares owned by Promoters and secured by way of personal guaratee of the Promoters of the Company.

(b) Refer Note 10A

NOTE 13B : TRADE PAYABLES

₹ in lakhs

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

Note:

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

* The amount mentioned is principal only.

Trade Payables aging schedule for year ended 31 st March 2023

₹ in lakhs

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

NOTE 13B : TRADE PAYABLES (Contd..)

Trade Payables aging schedule for year ended 31 st March 2022

₹ in lakhs

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

NOTE 13C : OTHER FINANCIAL LIABILITIES

₹ in lakhs

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

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

NOTE 13D : LEASE LIABILITY

₹ in lakhs

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

NOTE 14 : OTHER CURRENT LIABILITIES

₹ in lakhs

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

NOTE 15 : PROVISIONS

₹ in lakhs

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

NOTE 16 : INCOME TAX LIABILITIES (NET)

₹ in lakhs

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

NOTE 17 : REVENUE FROM OPERATIONS

₹ in lakhs

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

NOTE 18 : OTHER INCOME

₹ in lakhs

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

NOTE 19 : COST OF MATERIAL CONSUMED

₹ in lakhs

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

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

₹ in lakhs

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

Note 21 : EMPLOYEE BENEFIT EXPENSE

₹ in lakhs

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

* Refer note no. 25.3

Note 22 : FINANCE COSTS

₹ in lakhs

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

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

Note 23 : OTHER EXPENSES

₹ in lakhs

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

Note 23 : OTHER EXPENSES (Contd..)

₹ in lakhs

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

NOTE 24 : TAX EXPENSES

₹ in lakhs

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

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS

25.1. Earnings per share (EPS) from continuing operations

₹ in lakhs

Particulars	For the Year 2022 – 23	For the Year 2021 – 22
Earnings		
Profit for the period (₹ in lakhs)	5883.21	5186.96
Shares		
Number of shares at the beginning of the period	32050067	32050067
Add: Shares issued during the period	-	-
Total number of equity shares outstanding at the end of the period	32050067	32050067
Weighted average number of equity shares outstanding during the period	32050067	32050067
Earnings per share of par value ₹ 5/- Basic (₹)	18.36	16.18
Earnings per share of par value ₹ 5/- Diluted (₹)	18.36	16.18

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

25.2 Contingent Liabilities & Commitment

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
(A) Contingent Liabilities		
a. Claims against the Company not acknowledged as debts:		
(i) Service Tax lia bility for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to D cember, 2011.	68.55*	68.55*
(ii) GST liability for which appeals preferred by the Company for the FY 2017-18 and 2018-19	4.59*	-
(iii) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18.	923.08*	923.08*
(iv) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2018-19.	5.14*	5.14*
(v) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax Hyderabad for the AY 2020-21	38.24*	-
b. Income recognized against the Scrip Generation (under RodTEP scheme) and pending for generation of EBRC	17.01	-
(B) Commitments		
(i) Bank guarantees	1236.45	1401.43
(ii) Estimated amount of liability on account of Capital Commitments	4546.57	3181.55

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

25.3. Employee Benefit Plans

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

A) Defined Benefit Plan

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

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

₹ in lakhs

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

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

₹ in lakhs

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

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

₹ in lakhs

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

Rate of return for the plan asset

₹ in lakhs

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

Sensitivity Analysis – Gratuity Plan

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

₹ in lakhs

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

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

Sensitivity Analysis – Leave Encashment Plan

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

₹ in lakhs

Particulars	Leave Encashment Plan			
	As at 31.03.2023		As at 31.03.2022	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	178.21	147.06	166.02	135.68
Change in Rate of Salary Growth (Delta effect of +/-1%)	141.44	161.30	130.11	173.26
Change in Rate of Attrition (Delta effect of +/-1%)	152.12	169.81	131.11	165.64
Change in Mortality Rate (Delta effect of +/-10%)	159.11	163.46	149.13	149.87

B) Defined Contribution Plan

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

₹ in lakhs

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

25.4. Details of consumption of Raw Material

₹ in lakhs

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

25.5. Stock and Turnover of Manufactured and Traded goods

₹ in lakhs

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

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

25.6. Stock of Work in process

₹ in lakhs

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

25.7. CIF Value of Imports

₹ in lakhs

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

25.8. Earnings in Foreign Currency

₹ in lakhs

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

25.9. Expenditure in Foreign Currency

₹ in lakhs

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

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

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

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

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

25.11. Segment Reporting

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

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

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

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

Information by Geographies:

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

a) Revenue from External Customers:

₹ in lakhs

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

b) Assets:

₹ in lakhs

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

c) Revenue from Major Customers:

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

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

25.12. Financial Instruments

(A)Fair Value Hierarchy

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

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

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

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

₹ in lakhs

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

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

₹ in lakhs

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

(B) Financial Risk Management

The Company has exposure to the following risk:

Credit Risk:

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

Liquidity Risk:

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

Market Risk:

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

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

25.13. Related party disclosures

A. List of Related parties:

I Wholly Owned Subsidiary

(i) Pitti Rail and Engineering Components Limited

II Entity having significant influence over the entity

(i) Pitti Electrical Equipment Private Limited

III Key Management Personnel

Executive Promoter Directors

(i) Shri Sharad B Pitti, Chairman & Managing Director

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

Independent & Non-Executive Directors

(iii) Shri S. Thiagarajan, Independent Director

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

(v) Shri G. Vijaya Kumar, Independent Director

(vi) Shri M. Gopalakrishna, Independent Director

(vii) Ms. Gayathri Ramachandran, Independent Director

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

Others

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

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

(xi) Ms. Mary Monica Braganza, Company Secretary

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

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

(i) Pitti Castings Private Limited

(ii) Pitti Trade and Investments Private Limited

The Relative of Executive Promoter Directors

(iii) Smt Madhuri S Pitti

(iv) Smt Radhika A Pitti

(v) Sharad B Pitti (HUF)

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

A. Transactions/balances outstanding with related parties:

For the Financial Year 2022-23

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having significant influence over the entity	Key Managment Personnel	Other related parties	Total
1	Remuneration	-	247.70	15.21	262.91
2	Rent / Lease Expenses	-	104.16	194.57	298.73
3	Rent / Lease Income	-	-	1.65	1.65
4	Purchases of goods & services	836.18	-	7830.78	8666.96
5	Sales of goods & services	-	-	1330.96	1330.96
6	Unsecured Loan - received	-	2700.00	-	2700.00
7	Unsecured Loan – repaid	-	5210.00	-	5210.00
8	Inter Corporate Deposits – received	5575.00	-	-	5575.00
9	Inter Corporate Deposits – repaid	3065.00	-	-	3065.00
10	Interest paid	145.20	144.14	-	289.34
11	Dividend paid	203.21	201.63	41.73	446.57
12	Amount payable at the year end	3194.98	18.46	520.67	3734.11
13	Amount receivable at the year end	-	20.21	619.89	640.10
14	Investments at the year end	-	-	1514.52	1514.52

For the Financial Year 2021-22

₹ in lakhs

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

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

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

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

₹ in lakhs

Sl. No.	Particulars	For the Year 2022–23	For the Year 2021–22
1	**Shri Sharad B Pitti**		
	- Remuneration	98.78	98.78
	- Lease Rental	104.16	97.90
	- Dividend	102.22	51.11
	- Amount Payable at the year end	5.57	15.70
	- Amount Receivable at the year end (Rent deposit)	20.21	20.21
2	**Shri Akshay S Pitti**		
	- Remuneration	98.78	98.78
	- Dividend	99.37	49.68
	- Interest on Unsecured Loans	144.14	308.20
	- Unsecured Loans Received	2,700.00	2,730.00
	- Unsecured Loans Repaid	5,210.00	2,730.00
	- Amount Payable at the year end	5.22	2,514.66
3	**Pitti Electrical Equipment Pvt Ltd**		
	- Interest on Inter Corporate Deposits	145.20	0.08
	- Purchase of Goods	836.18	38.48
	- Dividend	203.21	101.60
	- Intercorporate Deposits Received	5575.00	70.00
	- Intercorporate Deposits Repaid	3065.00	70.00
	- Amount Payable at the year end	3194.98	-

25.14. Deferred Tax

₹ in lakhs

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

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

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

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

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

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

₹ in lakhs

Sl. No.	Description	Year 2022-23	Year 2021-22
1	Principal amounts due to suppliers under MSMED	136.05	131.73
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	-	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	-	-
4	Interest paid to suppliers covered under MSMED	-	-
5	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-

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

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

₹ in lakhs

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

₹ in lakhs

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

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

25.19. Right of Use of Assets

For the Financial Year 2022-23

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2022	174.05	2229.48	5832.00	64.57	-	8300.10
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	-	1064.77	-	-	1064.77
Deletions/Adjustments	-	16.13	997.77	-	-	1013.90
Depreciation	17.88	156.55	723.97	24.05	-	922.45
Balance as on 31st March 2023	**156.17**	**2056.80**	**5175.03**	**40.52**	**-**	**7428.52**

For the Financial Year 2021-22

₹ in lakhs

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

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

25.21. Financial and Derivative Instruments:

₹ in lakhs

Description	As at 31.03.2023	As at 31.03.2022
Forward Contracts	9744.75	7071.55

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

25.22. Statutory Auditor's Remuneration

₹ in lakhs

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

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

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

25.24. Key Ratios

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

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

Note1 :

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

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

Definitions:

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

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

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

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

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

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

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

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

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

(j) Working Capital = Current Assets – Current Liabilities

(k) Capital Employed = Total Assets- Current Liabilities

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

(l) Earnings from Investor Funds = Earnings from Investments

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

25.25 Other Statutory Information

(i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) The Group does not have any transactions with companies struck off.

(v) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017.

(vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).

(x) Corporate Social Responsibility (CSR) :

₹ in lakhs

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

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

₹ in lakhs

Sl. No.	Description	For the Year ended 31.03.2023	For the Year ended 31.03.2022
h.	Nature of CSR Activities	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance 3) Education	1) Promotion of Health Care 2) Restoration of Sites of Historical Importance
i.	Details of related party transactions, e.g., contribution to a trust controlled by the company	Nil	Nil
j.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

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

As per our report of even date

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

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

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

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

Amit Shah
Partner
M. No:122131

NR Ganti
Director
DIN:00021592

M Pavan Kumar
Chief Financial
Officer
M. No: 216936

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

Place: Hyderabad
Date : 29th May 2023

Place: Hyderabad
Date : 29th May 2023

Independent Auditor's Report

TO THE MEMBERS OF **PITTI ENGINEERING LIMITED**

Report on Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PITTI ENGINEERING LIMITED which include joint operations (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the consolidated balance sheet as at 31st March 2022, the consolidated statement of Profit and Loss, including the other comprehensive income statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information here in after referred to as ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act, of the consolidated state of affairs of the Company as at 31st March 2022, their consolidated profit, changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the 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 consolidated financial statements under the provisions of the Act and the Rules issued there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon:

The Holding Company's Board of Directors are responsible for the preparation of other information. The other information comprises the information included in the Director's Report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for Audit of Consolidated Financial Statements:

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has an adequate internal financial controls system 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or if such disclosures are inadequate, then to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Section 143 (3) of the Act, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report agree with the relevant books of account;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards ("IND AS") specified under Section 133 of the Act, read with relevant rules issued there under.

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as of 31 March 2022 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.

g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer to Note 25.02 to the financial statements;

   ii) The Company does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses; and

   iii) There were no such amounts that were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March 2022.

   iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies incorporated in India 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, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   (c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

   v) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act.

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner
Membership Number: 221671
UDIN: 22221671AJLCJH2901

Place: Hyderabad
Date: 23rd May 2022

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls 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 2022, in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of directors of the company are 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") issued by the Institute of Chartered Accountants of India and the standards on auditing 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 consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary company which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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.

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner
Membership Number: 221671
UDIN: 22221671AJLCJH2901

Place: Hyderabad
Date: 23rd May 2022

Cosolidated Balance Sheet

as at 31st March 2022

₹ in lakhs

Particulars	Notes	As at 31.03.2022	As at 31.03.2021
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	**22,785.15**	19,283.66
(b) Capital work-in-progress		**61.23**	113.53
(c) Intangible Assets	2B	**1,382.42**	1,807.10
(d) Right of use of Assets	2C	**8,300.10**	7,412.55
(e) Investment property	2D	**203.82**	-
(f) Financial Assets			
(i) Investments	3A	**1,641.00**	1,641.00
(ii) Other financial assets	3B	**189.89**	505.02
(g) Other non-current assets	4	**2,318.36**	768.37
TOTAL NON - CURRENT ASSETS		**36,881.97**	**31,531.23**
CURRENT ASSETS			
(a) Inventories	5	**27,228.71**	15,722.09
(b) Financial Assets			
(i) Investments	6A	**0.73**	1.07
(ii) Trade receivables	6B	**20,426.46**	17,176.93
(iii) Cash and Cash equivalents	6C	**3,504.24**	894.41
(iv) Other financial assets	6D	**87.76**	39.26
(c) Assets held for sale	2D	**-**	262.00
(d) Other current assets	7	**7,527.02**	4,496.29
TOTAL CURRENT ASSETS		**58,774.92**	**38,592.05**
TOTAL ASSETS		**95,656.89**	**70,123.28**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	**1,602.92**	1,602.92
(b) Other equity	9	**26,788.68**	21,976.36
TOTAL EQUITY		**28,391.60**	**23,579.28**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	**11,018.84**	5,057.42
(ii) Lease Liability	10 B	**5,291.10**	5,166.63
(iii) Others		**0.36**	0.36
(b) Other Long Term Liabilities		**-**	385.00
(c) Provisions	11	**780.28**	685.02
(d) Deferred tax liabilities(net)	12	**912.30**	1,007.34
TOTAL NON-CURRENT LIABILITIES		**18,002.88**	**12,301.77**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	**21,423.95**	20,306.82
(ii) Trade payables	13B		
Dues to micro and small enterprises		**131.73**	249.78
Dues to other enterprises		**21,889.97**	10,278.96
(iii) Other financial liabilities	13C	**852.10**	527.22
(iv) Lease liability	13D	**1,542.56**	1,227.80
(b) Other current liabilities	14	**1,481.99**	328.95
(c) Provisions	15	**376.90**	318.71
(d) Income tax liabilities (net)	16	**1,563.21**	1,003.99
TOTAL CURRENT LIABILITIES		**49,262.41**	**34,242.23**
TOTAL EQUITY AND LIABILITIES		**95,656.89**	**70,123.28**
Significant accounting policies and notes on accounts	1 to 25		

As per our report of even date

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

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner

M. No:221671

Place : Hyderabad
Date : 23rd May 2022

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

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

G Vijaya Kumar
Director
DIN:00780356

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

Place : Hyderabad
Date : 23rd May 2022

Consolidated Statement of Profit & Loss

for the year ended 31st March 2022

₹ in lakhs

Particulars	Notes	For the Year ended 31.03.2022	For the Year ended 31.03.2021
INCOME			
Revenue from operations	17A	**94,995.32**	51,099.19
Other Operating revenue	17B	**387.06**	717.52
Total Revenue from Operations		**95,382.38**	**51,816.71**
Other income	18	**1,642.55**	2,049.23
TOTAL INCOME		**97,024.93**	**53,865.94**
EXPENSES			
Cost of Materials consumed	19	**69,425.51**	34,693.07
Changes in inventories of work-in-process, finished goods and scrap	20	**(1,610.57)**	(1,166.00)
Employee benefits expenses	21	**7,847.11**	5,609.64
Finance costs	22	**3,960.50**	2,960.81
Depreciation and amortization expenses	2A,2B, 2C&2D	**3,887.68**	3,038.68
Other expenses	23	**6,458.08**	4,875.46
TOTAL EXPENSES		**89,968.31**	**50,011.66**
Profit before tax		**7,056.62**	3,854.28
TAX EXPENSES	24		
(a) Current tax		**1,955.15**	1,098.34
(b) Tax relating to earlier years		**10.20**	(20.13)
(c) Deferred tax		**(95.04)**	(99.54)
TOTAL TAX EXPENSES		**1,870.31**	**978.67**
Profit for the period		**5,186.31**	**2,875.61**
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit (liability)/assets		**2.93**	(76.48)
Change in fair value of non-current investment		**-**	-
Change in fair value of current investment		**(0.33)**	0.08
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		**2.60**	**(76.40)**
Total Comprehensive Income		**5,188.91**	**2,799.21**
Earnings per Equity Share of Face Value of ₹ 5/- each	25.1		
(a) Basic		**16.18**	8.97
(b) Diluted		**16.18**	8.97
Significant accounting policies and notes on accounts	1 to 25		

As per our report of even date

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

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner

M. No:221671

Place : Hyderabad
Date : 23rd May 2022

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

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

G Vijaya Kumar
Director
DIN:00780356

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

Place : Hyderabad
Date : 23rd May 2022

Consolidated Statement of Changes in Equity

for the year ended 31st March 2022

(a) Equity Share Capital

₹ in lakhs

Particulars	Note No.	
Balance as at 1 April , 2020		1,602.92
Changes in equity share capital during the year	8 (a)	-
Balance as at 31 March 2021		**1,602.92**
Balance as at 1 April , 2021		1,602.92
Changes in equity share capital during the year	8 (a)	-
Balance as at 31 March , 2022		**1,602.92**

(b) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income		Total Other Equity
	Securities Premium	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	
Balance as on 1 April , 2020	8,106.46	750.48	10,176.22	(92.99)	236.98	19,177.15
Profit and loss during period	-	-	2,875.61	-	-	2,875.61
Fair Valuation of investments	-	-	-	0.08	-	0.08
Actuarial Gain Loss	-	-	-	-	(76.48)	(76.48)
Total Comprehensive Income for the current year	**8,106.46**	**750.48**	**13,051.83**	**(92.91)**	**160.50**	**21,976.36**
Dividends	-	-	-	-	-	-
Balance as on 31 March, 2021	**8,106.46**	**750.48**	**13,051.83**	**(92.91)**	**160.50**	**21,976.36**
Balance as on 1 April , 2021	8,106.46	750.48	13,051.83	(92.91)	160.50	21,976.36
Profit and loss during period	-	-	5,186.31	-	-	5,186.31
Fair Valuation of investments	-	-	-	(0.33)	-	(0.33)
Actuarial Gain Loss	-	-	-	-	2.93	2.93
Total Comprehensive Income for the current year	**8,106.46**	**750.48**	**18,238.14**	**(93.24)**	**163.43**	**27,165.27**
Dividends	-	-	(376.59)	-	-	(376.59)
Balance as on 31 March, 2022	**8,106.46**	**750.48**	**17,861.55**	**(93.24)**	**163.43**	**26,788.68**

As per our report of even date

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

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration Number: 011168S

Sharad B Pitti
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DIN:00078716

G Vijaya Kumar
Director
DIN:00780356

Vijay Singh
Partner

M. No:221671

Place : Hyderabad
Date : 23rd May 2022

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

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

Place : Hyderabad
Date : 23rd May 2022

Consolidated Cash Flow Statement

for the year ended 31st March 2022

₹ in lakhs

Particulars	For the year ended 31-03-2022		For the year ended 31-03-2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	**7,056.62**		3,854.28	
Adjusted for				
Depreciation and amortisation expenses	**3,887.68**		3,038.68	
Interest Income	**(96.39)**		(80.43)	
Credit Risk Impaired	**70.60**		4.06	
Credit Risk Allowance	**(61.11)**		2.52	
Loss / (Profit) on sale of fixed assets (net)	**(30.14)**		159.93	
Re-measurement gains/(losses) on employee defined benefit plans	**2.93**		(76.48)	
Re-measurement gains/(losses) on Investments	**(0.33)**		0.08	
Loss on current financial assets measured at FVTPL	**0.34**		(0.11)	
Advance received for Asseets held for sale	**(385.00)**		-	
Unrealised foreign exchange differences	**256.13**		(538.98)	
Finance Costs	**3,960.50**	**14,661.83**	2,960.81	9,324.36
Operating Profit before Working Capital changes		**14,661.83**		**9,324.36**
Working Capital changes adjusted for				
Trade & Other financial and non financial assets	**(7,750.26)**		(4,410.23)	
Inventories	**(11,506.62)**		(3,071.93)	
Trade Payables and other financial and non finacial liabilities	**15,178.94**		1,904.07	
		(4,077.94)		(5,578.09)
Cash generated from operations		**10,583.89**		**3,746.27**
Taxes Paid		**(1,792.76)**		(575.31)
Cash Flow before extraordinary items		**8,791.13**		**3,170.96**
Net Cash Flow From Operating Activities - (A)		**8,791.13**		**3,170.96**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & equipment and intangibles		**(6,148.40)**		(3,291.58)
Advances to Property, Plant & equipment and intangibles		**(1,542.26)**		(358.96)
ROU Assets as per IND AS 116		**(1,707.17)**		(3,247.73)
Proceeds from sale of fixed assets		**73.70**		70.67
Interest income received		**45.70**		182.62
Net Cash used in Investing Activities - (B)		**(9,278.43)**		**(6,644.98)**

Consolidated Cash Flow Statement

for the year ended 31st March 2022

₹ in lakhs

Particulars	For the year ended 31-03-2022		For the year ended 31-03-2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Finance charges	**(3,532.14)**		(2,625.58)	
Cash Payments for Principal portion of lease liability	**(348.66)**		(320.91)	
Cash Payments for interest portion of lease liability	**(14.68)**		(11.71)	
Proceeds from Borrowings - Noncurrent (including current maturities)	**9,097.55**		2,856.14	
Repayment of Borrowings - Noncurrent (including current maturities)	**(4,281.34)**		(3,318.46)	
Borrowings - Current (Net)	**(96.78)**		2,816.87	
Term Deposit Accounts with financial institutions	**334.68**		(324.99)	
Payment of Dividend	**(376.59)**		-	
Lease Liability	**439.23**		3,769.00	
		1,221.27		2,840.36
Net Cash used in Finance Activities - (C)		**1,221.27**		**2,840.36**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**733.97**		**(633.66)**
Opening Balance in Cash and Cash Equivalents		**36.78**		**670.44**
Closing Balance in Cash and Cash Equivalents		**770.75**		**36.78**
Components of cash and cash equivalents:				
Cash on hand		**9.69**		18.27
Balances with banks				
Current accounts		**753.09**		3.81
EEFC accounts		**1.03**		5.93
Unpaid dividend account		**6.94**		8.77
Total cash and cash equivalents		**770.75**		**36.78**

As per our report of even date

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

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner

M. No:221671

Place : Hyderabad
Date : 23rd May 2022

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Director
DIN:00780356

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Company Secretary & Compliance Officer
M. No:F5532

Place : Hyderabad
Date : 23rd May 2022

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1. CORPORATE INFORMATION

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

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

1.2. BASIS OF PREPARATION AND PRESENTATION

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

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

1.3 PRINICIPLES OF CONSOLIDATION

(a) The financial statements of the Holding Company and its subsidiaries are combined on a line-by-line basis by adding together like-items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

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

(d) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

1.4. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of Accounting

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act,2013 as amended from time to time.

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

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

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

(b) Significant accounting judgments, estimates and assumptions

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

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

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

(c) Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables intangibles investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(d) Current/ Non-Current Classification

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

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

1.4. PROPERTY, PLANT AND EQUIPMENT

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

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

Such cost includes the cost of replacing part of the plant and equipment, costs of dismantling and removing the item and restoring the site on which it is located and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the same were depreciated separately based on their specific useful lives.

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

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

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

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

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

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

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

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, Plant and Equipment is provided on straight-line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013. Building constructed on leasehold land is depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of the land is beyond the life of the building. Any Capital Expenditure costing ₹ 5,000 or less are treated as a Revenue Expenditure and recognized in the statement of profit and loss in the year in which it is incurred.

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

Category of asset	Estimated useful lives as assessed by the Management	Useful lives as per Schedule II to the Act
Factory Building	5-30 years	30 years
Leasehold Building	8-28 years	30 years
Furniture and Fixtures	2-10 years	10 years
Patterns, Match Plates	6-10 years	15 years
Plant & Machinery	2-10 years	15 years
Electricals	2-15 years	10 years
Office Equipment	3-10 years	5 years
Lab & Test Equipment	3-10 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	10 years	10 years
Vehicles-Motor Cars	2-8 years	8 years
Computers – Servers	6 years	6 years
Computers – Desktops	3-6 years	3 years

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

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

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

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

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

Development expenditures on an individual product/project are recognized as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

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

Subsequent cost

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

De-recognition

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

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

1.5. REVENUE RECOGNITION

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

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

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Group is entitled to in exchange of transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is due upon satisfaction of performance obligations and a receivable is recognised when it becomes unconditional.

(a) Interest income

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

(b) Dividend income

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

(c) Other income

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

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

Income arising out of industrial incentives schemes under respective states for the investments made by Company in Hyderabad plant 4 and Aurangabad plant are recognized based on the sanction received from the competent authorities.

1.6. INVESTMENTS

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

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

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

1.7. INVENTORIES

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

(b) The cost of inventories is computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

(c) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

1.8. FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

(a) Initial Recognition

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

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

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

(c) Derivative Financial Instruments and Hedge Accounting:

The Group enters into forward contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments.

At the inception of a forward contract, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. Such forward contracts are initially recognised at fair value on the date on which a such contract is entered into and are also subsequently measured at fair value. Forward contracts are carried as Financial Assets when the fair value is positive and as Financial Liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedge which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or is treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a Non-Financial Assets or Non-Financial liability.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.9. EMPLOYEE BENEFITS

Defined Contribution Plan

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

Defined Benefit Plan

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

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

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

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

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognizes related restructuring costs

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

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

(ii) Net interest expense or income

1.10. BORROWING COSTS

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

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

1.11. LEASES

The Group as a lessee

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

(i) The contract involves the use of an identified asset.

(ii) The Group has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) The Group has the right to direct the use of the asset.

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

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

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

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

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

1.12. IMPAIRMENT

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

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

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

1.13. EARNINGS PER SHARE

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

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

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

1.14. SEGMENT REPORTING

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

1.15. PROVISIONS AND CONTINGENCIES

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

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

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

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

1.16. TAXATION

Current Income Tax

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

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

The Group has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2022 have been made accordingly.

Deferred Tax

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

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

1.17. FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Recognition and Measurement

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

Subsequent Measurement

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

(i) Debt instruments at amortized cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt Instruments at Amortized Cost

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

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

And

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Equity Investments

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

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

Derecognition

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

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) The Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of Financial Assets

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

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

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

Fair Value Measurement

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

1.18. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

A sale is considered as highly probable when decision has been made to sell, assets are available for immediate sale in its present condition, assets are being actively marketed and sale has been agreed or is expected to be concluded within 12 months of the date of classification.

Assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell and are presented separately in the balance sheet.

1.19. INVESTMENT PROPERTY

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

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

₹ in lakhs

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2021	ADDITIONS	ADJUSTMENTS	As at 31.03.2022	As at 01.04.2021	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Tangible Assets											
Land	716.37	1,103.50	-	**1,819.87**	-	-	-	-	**-**	**1,819.87**	716.37
Factory Building											
- on Own premises	3,483.00	56.92	-	**3,539.93**	690.88	125.28	-	-	**816.16**	**2,723.77**	2,792.12
- on Lease hold Property	1,298.02	4.21	-	**1,302.23**	699.72	59.12	-	-	**758.84**	**543.39**	598.30
Plant & Equipment	23,704.96	4,085.10	30.29	**27,759.77**	12,945.59	1,926.82	-	16.38	**14,856.03**	**12,903.74**	10,759.37
Tools	4,097.10	542.75	39.59	**4,600.26**	536.62	216.20	-	14.20	**738.62**	**3,861.64**	3,560.48
Patterns, Match plates & Mould Box	369.13	78.18	-	**447.31**	71.17	50.84	-	-	**122.01**	**325.30**	297.96
Office Equipment	292.99	32.84	0.33	**325.50**	186.31	34.64	-	0.31	**220.64**	**104.86**	106.68
Furniture & Fixtures	173.18	20.26	-	**193.44**	135.06	6.15	-	-	**141.21**	**52.23**	38.12
Other-Computers	359.51	38.99	1.40	**397.10**	300.10	24.73	-	1.33	**323.50**	**73.60**	59.41
Vehicles	669.11	106.42	7.57	**767.96**	314.26	80.35	-	3.40	**391.21**	**376.75**	354.85
Sub Total	**35,163.37**	**6,069.17**	**79.18**	**41,153.37**	**15,879.71**	**2,524.13**	**-**	**35.62**	**18,368.22**	**22,785.15**	**19,283.66**
Capital Work In Progress	113.53	7,445.74	7,498.04	**61.23**						**61.23**	113.53

During the current year, ₹ Nil Interest Capitalized on Term loans.

Capital Work in Progress ageing schedule

₹ in lakhs

Particulars	As on 31 st March 2022					As on 31 st March 2021				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	**61.23**	**-**	**-**	**-**	**61.23**	102.93	10.60	-	-	113.53
Projects temporarily suspended	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total	**61.23**	**-**	**-**	**-**	**61.23**	**102.93**	**10.60**	**-**	**-**	**113.53**

Consolidated Notes to Financial Statements

for the year ended 31st March 2022

NOTE : 2B INTANGIBLE ASSETS

₹ in lakhs

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2021	ADDITIONS	ADJUSTMENTS	As at 31.03.2022	As at 01.04.2021	FOR THE YEAR	FOR RESERVES	ADJUSTMENTS	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer Software	768.54	61.08	-	**829.62**	583.63	68.43	-	-	**652.06**	**177.56**	184.91
Product Development Expenses	2,086.64	-	-	**2,086.64**	464.45	417.33	-	-	**881.78**	**1,204.86**	1,622.19
Sub Total	**2,855.18**	**61.08**	**-**	**2,916.26**	**1,048.08**	**485.76**	**-**	**-**	**1,533.84**	**1,382.42**	**1,807.10**
NOTE: 2C RIGHT OF USE ASSETS											
Land	227.69	-		**227.69**	35.76	17.88	-	-	**53.64**	**174.05**	191.93
Building	2,290.06	330.30		**2,620.36**	239.69	151.19	-	-	**390.88**	**2,229.48**	2,050.37
Plant and Machinery	5,442.02	1,367.80	-	**6,809.82**	351.17	626.65	-	-	**977.82**	**5,832.00**	5,090.85
Vehicles	106.78	9.07	-	**115.85**	27.38	23.90	-	-	**51.28**	**64.57**	79.40
Subtotal	**8,066.55**	**1,707.17**	**-**	**9,773.72**	**654.00**	**819.62**	**-**	**-**	**1,473.62**	**8,300.10**	**7,412.55**
Grand Total	**46,085.10**	**7,837.42**	**79.18**	**53,843.34**	**17,581.79**	**3,829.51**	**-**	**35.62**	**21,375.68**	**32,467.66**	**28,503.31**
Previous Year	39,982.45	9,317.41	3,214.76	**46,085.10**	15,252.33	3,038.68	-	709.22	**17,581.79**	**28,503.31**	24,730.12
Note: 2D INVESTMENT PROPERTY*											
Investment Property											
Land	0.49	-	-	**0.49**	-	-	-	-	**-**	**0.49**	0.49
Factory Building	452.55	-	-	**452.55**	191.04	58.18	-	-	**249.22**	**203.33**	261.51
Sub Total	**453.04**	**-**	**-**	**453.04**	**191.04**	**58.18**	**-**	**-**	**249.22**	**203.82**	**262.00**
Total	**453.04**	**-**	**-**	**453.04**	**191.04**	**58.18**	**-**	**-**	**249.22**	**203.82**	**262.00**

* Fair Market Value ₹ 1,194.50 Lakhs as per valuation report given by registered independent valuer

* Assets held for sale value nil (previous year ₹ 262 lakhs) has been transferred to Invenstment Property.

NOTE 3A : INVESTMENTS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Investment with Pitti Castings Private Ltd (Unquoted)		
a. Equity Shares	**408.00**	408.00
(40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000) Presented as per Fair Market Value as per Ind AS Requirement		
b. Redeemable Preferential shares	**1,233.00**	1,233.00
(1,23,30,000 Preferential shares (non-cumulative non-participative redeemable) at face value ₹ 10/- each)		
TOTAL	**1,641.00**	**1,641.00**

NOTE 3B : OTHER FINANCIAL ASSETS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good		
Term Deposits with Finacial Institutions	**150.50**	485.18
Deposits:		
Rent	**28.53**	16.92
With suppliers	**10.86**	2.92
TOTAL	**189.89**	**505.02**

NOTE 4 : OTHER NON CURRENT ASSETS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good		
Capital Advance for Fixed Assets	**2,140.55**	598.29
Prepaid Expenses - Rent Deposits	**47.63**	39.90
Gold Coins	**1.49**	1.49
Deposits:		
With government bodies	**128.69**	128.69
TOTAL	**2,318.36**	**768.37**

NOTE 5 : INVENTORIES

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
(At lower of cost or Net realisable value)		
Raw material including Material in Transit	**16,900.78**	7,462.68
Work in process	**4,597.69**	2,072.74
Finished goods	**3,609.12**	4,237.20
Stores and spares	**2,059.27**	1,601.32
Scrap	**61.85**	348.15
TOTAL	**27,228.71**	**15,722.09**

NOTE 6A : INVESTMENTS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Ltd.	**0.69**	1.03
Face Value 1,000 Equity Shares of ₹ 10/- each		
Presented as per Fair Market Value as per Ind AS Requirement		
II. Unquoted		
Saraswat Co-operative Bank Ltd.	**0.01**	0.01
50 Equity Shares of ₹ 10/- each (Unquoted)		
S.V. Co-operative Bank Ltd	**0.03**	0.03
100 Equity Shares of ₹ 10/- each (Unquoted)		
TOTAL	**0.73**	**1.07**

NOTE 6B : TRADE RECEIVABLES

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Trade Receivables considered good - Secured	**-**	-
Trade Receivables considered good - Un Secured	**20,497.61**	**17,264.30**
Trade Receivables which have Significant increase in Credit Risk	**(0.55)**	(83.31)
Trade Receivables - Credit Impaired	**(70.60)**	(4.06)
TOTAL	**20,426.46**	**17,176.93**

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

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	**18,066.78**	**2,341.29**	**17.06**	**0.36**	**0.90**	**71.23**	**20,497.61**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**(0.55)**	**(0.55)**
(iii) Undisputed Trade Receivables — credit impaired	**-**	**-**	**-**	**-**	**-**	**(70.60)**	**(70.60)**
(iv) Disputed Trade Receivables — considered good	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(vi) Disputed Trade Receivables — credit impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total {(i)-[(ii)-(iii)]}+{(iv)-[(v)-(vi)]}							**20,426.46**

Trade Receivables aging schedule for the year ended 31 st March 2021

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	14,821.03	2,273.25	79.79	-	2.40	87.83	17,264.30
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	(83.31)	(83.31)
(iii) Undisputed Trade Receivables — credit impaired	-	-	-	-	-	(4.06)	(4.06)
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total {(i)-[(ii)-(iii)]}+{(iv)-[(v)-(vi)]}							**17,176.93**

NOTE 6C : CASH AND CASH EQUIVALENTS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Cash on Hand	**9.69**	18.27
Balances with banks		
Current Accounts	**753.09**	3.81
EEFC Accounts	**1.03**	5.93
Unclaimed dividend account (Refer note a)	**6.94**	8.77
Cash & Cash equivalents	**770.75**	**36.78**
Other bank balances		
Term Deposit Accounts (Refer note b)	**2,733.49**	857.63
TOTAL	**3,504.24**	**894.41**

Note:

a) During the year an amount of ₹ 2.91 lakhs final dividend for the year 2013-14 & ₹ 2.14 lakhs interim dividend for the year 2014-15 was transferred to Investor Education and Protection Fund (IEPF) (previous year ₹ 2.85 lakhs for the year 2012-13)

b) Term Deposits are held as Margins for LC/BGs

NOTE 6D : OTHER FINANCIAL ASSETS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Interest accrued on Deposits	**65.18**	38.08
Earnest Money Deposit Amount	**22.58**	1.18
TOTAL	**87.76**	**39.26**

NOTE 7 : OTHER CURRENT ASSETS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	**778.51**	584.03
Central excise, Sales tax,GST etc.,	**3,101.34**	1,510.09
Export Incentive Receivables	**175.53**	205.01
State Industrial Promotion Subsidy receivables	**2,876.27**	1,824.81
Income Tax and other taxes	**233.01**	47.37
Employees	**2.26**	1.54
Prepaid expenses	**360.10**	323.44
TOTAL	**7,527.02**	**4,496.29**

NOTE 8 : EQUITY SHARE CAPITAL

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Authorised Capital		
6,00,00,000 (Previous Year 6,00,00,000) Equity Shares of ₹ 5/- each	**3,000.00**	3,000.00
TOTAL	**3,000.00**	**3,000.00**
Issued, Subscribed and Paid up		
3,20,50,067 (Previous year 3,20,50,067) Equity shares of ₹ 5/- each	**1,602.50**	1,602.50
8,300 (Previous year 8,300) Equity Shares forfeited of ₹ 5/- each	**0.42**	0.42
TOTAL	**1,602.92**	**1,602.92**

NOTE 8 : EQUITY SHARE CAPITAL (Contd..)

Notes

(a) Reconciliation of equity shares

₹ in lakhs

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,20,50,067	1,602.50	3,20,50,067	1,602.50
Issued during the period	-	-		-
At the closing of the period	**3,20,50,067**	**1,602.50**	**3,20,50,067**	**1,602.50**

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

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

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

₹ in lakhs

Name	As at 31.03.2022		As at 31.03.2021	
	No. of shares	% of Total Shares	No. of shares	% of Total Shares
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19
Smt Madhuri S Pitti	17,58,620	5.49	17,58,620	5.49
Pitti Electrical Equipment Pvt Ltd	86,46,667	26.98	86,46,667	26.98

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

₹ in lakhs

Name	As at 31.03.2022		As at 31.03.2021		
	No. of shares	% of total shares	No. of shares	% of total shares	% Change during the year
Shri Sharad B Pitti	43,49,926	13.57	43,49,926	13.57	-
Shri Akshay S Pitti	42,28,414	13.19	42,28,414	13.19	-
Smt Madhuri S Pitti*	17,58,620	5.49	17,58,620	5.49	-
Pitti Electrical Equipment Pvt Ltd*	86,46,667	26.98	86,46,667	26.98	-
Sharad B Pitti HUF*	17,000	0.06	17,000	0.06	-

* Promoter Group

NOTE 9 : OTHER EQUITY

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Securities Premium		
At the beginning of the year	8,106.46	8,106.46
Add: during the period	-	-
At the closing of the period	**8,106.46**	**8,106.46**
General Reserve		
At the beginning of the year	750.48	750.48
Less: adjustment as per Schedule -II of Companies Act, 2013	-	-
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	**750.48**	**750.48**

Note 9 : OTHER EQUITY (Contd..)

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Retained Earnings		
At the beginning of the year	**13,051.83**	10,176.22
Add : Profit/(Loss) for the period	**5,186.31**	2,875.61
Less : Interim dividend on equity shares during the year	**(376.59)**	-
Less : Transferred to general reserve during the year	**-**	-
At the closing of the period	**17,861.55**	**13,051.83**
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	**163.43**	160.50
Change in fair value of current investment	**(93.24)**	(92.91)
Net Surplus in the Statement of Profit and Loss	**70.19**	**67.59**
TOTAL	**26,788.68**	**21,976.36**

NOTE 10A : BORROWINGS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
A. Secured Loans		
Term Loans from Banks (Refer Note a)	**8,447.13**	1,248.25
Term Loans from others (Refer Note b)	**-**	1,211.84
Sub total	**8,447.13**	**2,460.09**
Vehicle Loans		
From Lenders (Refer Note c)	**61.71**	87.33
Sub total	**61.71**	**87.33**
Total - A	**8,508.84**	**2,547.42**
B. Unsecured loans		
From related parties (Refer Note d)	**2,510.00**	2,510.00
Total - B	**2,510.00**	2,510.00
TOTAL - (A+B)	**11,018.84**	**5,057.42**

Terms and conditions of loans and security

(a) Term Loans from Banks

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2022	Outstanding Amount as at 31st March 2021	Outstanding Amount as at 31st March 2022	Outstanding Amount as at 31st March 2021		
Term Loans	**4,312.18**	752.83	**2,136.67**	1,032.05	Monthly/Quarterly instlments payable over remaining period of 1 to 5 years.	Notes 1
WCTL/GECL	**4,134.95**	495.42	**884.01**	334.58	Monthly instlments payable over remaining period of 6 years	Notes 2
Total - (a)	**8,447.13**	**1,248.25**	**3,020.68**	**1,366.63**		

NOTE 10 A : BORROWINGS (Contd..)

(b) Term Loans from Others

₹ in lakhs

Secured Loans	Long Term: Outstanding Amount as at 31st March 2022	Long Term: Outstanding Amount as at 31st March 2021	Term loan instalments due less than 12 months: Outstanding Amount as at 31st March 2022	Term loan instalments due less than 12 months: Outstanding Amount as at 31st March 2021	Repayment Terms	Security
Term Loans	-	909.01	-	376.73		
WCTL/GECL	-	302.83	-	13.17	NA	NA
Total - (b)	**-**	**1,211.84**	**-**	**389.90**		
Total - (a+b)	**8,447.13**	**2,460.09**	**3,020.68**	**1,756.53**		

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till February 2026

(d) Unsecured loans ₹ 2,510 lakhs (previous year ₹.2,510 lakhs) brought in by the promoters and promoters group as subordinate debt to the secured debt.

Notes :

1) Pari passu 1st charge on present and future Fixed Assets of the Company and pari passu 2nd charge on present and future Current Assets of the Company. further all loans are guaranteed by the promoters of the company. Further, SBI is having exclusive charge on immovable properties of Promoters and pledge of 19,44,530 shares of Promoters holding. Term loans carry interest rate in the range of 8.80% to 11.70% p.a.

2) WCTL/GECL loans are secured by Pari Passu 2nd charge on present and future Fixed Assets and Current Assets of the Company and 2nd Pari Passue charge on 19,44,530 pledge of shares along with other working capital lenders in consortium and these are repayable at an interest rate range from 7.95% to 9.25%

NOTE 10B : LEASE LIABILITY

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Lease Liability	**5,291.10**	5,166.63
TOTAL	**5,291.10**	**5,166.63**

NOTE 11 : PROVISIONS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Provision for Gratuity	**163.20**	211.63
Provision for Leave encashment	**127.16**	29.71
Provision for Dismantling of PPE	**489.92**	443.68
TOTAL	**780.28**	**685.02**

NOTE 12 : DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
At the beginning of the year	**1,007.34**	1,106.88
Provision for the year	**(95.04)**	(99.54)
Closing balance	**912.30**	**1,007.34**

NOTE 13A : BORROWINGS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Working capital borrowings from Banks (Secured) (Refer Note (a))	**16,956.94**	17,003.72
Current maturities of Long term borrowings: (Refer Note (b))		
Term loans	**3,020.68**	1,756.53
Vehicle loans	**21.33**	71.57
Inter Corporate Deposit	**1,425.00**	1,475.00
TOTAL	**21,423.95**	**20,306.82**

Note:

(a) Working capital facilities are availed at interest rate ranging from 7.20% p.a. to 9.75% p.a. which are secured on a pari paasu first charge basis against hypothecation of Inventory (stocks), Trade Receivables and all other current assets both present and future, pari passu second charge on movable and immovable properties of the Company both present and future, pledge of 19,44,530 shares owned by Promoters and secured by way of personal guaratee of the Promoters of the Company.

(b) Refer Note 10A

NOTE 13B : TRADE PAYABLES

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Dues to micro enterprises and small enterprises (Refer Note 25.17)*	**131.73**	249.78
Dues to others	**21,889.97**	10,278.96
TOTAL	**22,021.70**	**10,528.74**

Note:

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

* The amount mentioned is principal only.

Trade Payables aging schedule for year ended 31 st March 2022

₹ in lakhs

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

Trade Payables aging schedule for year ended 31 st March 2021

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed dues - MSME	249.78	-	-	-	-	249.78
(ii) Undisputed dues - Others	8,729.86	1,530.92	-	-	18.18	10,278.96
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**8,979.64**	**1,530.92**	**-**	**-**	**18.18**	**10,528.74**

NOTE 13C : OTHER FINANCIAL LIABILITIES

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Unclaimed Dividend	**6.94**	8.77
Interest accrued*	**106.46**	68.00
Others	**738.70**	450.45
TOTAL	**852.10**	**527.22**

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

NOTE 13D : LEASE LIABILITY

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Lease Liability	**1,542.56**	1,227.80
TOTAL	**1,542.56**	**1,227.80**

NOTE 14 : OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Advances from Customers	**1,315.57**	189.88
Other Liabilities	**166.42**	139.07
TOTAL	**1,481.99**	**328.95**

NOTE 15 : PROVISIONS

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Provision for employee benefits :		
Provision for Gratuity	**74.80**	5.34
Provision for Bonus	**279.76**	216.62
Provision for Leave encashment	**22.34**	96.75
TOTAL	**376.90**	**318.71**

NOTE 16 : INCOME TAX LIABILITIES (NET)

₹ in lakhs

	As at 31.03.2022	As at 31.03.2021
Provision for taxation (net)	**1,563.21**	1,003.99
TOTAL	**1,563.21**	**1,003.99**

NOTE 17A : REVENUE FROM OPERATIONS

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Sales & Services:		
Sale of Products	**93,326.70**	50,833.61
Sale of Scrap	**13,110.11**	5,137.79
Sale of Tools	**414.71**	312.83
Job work & Service Income	**548.47**	634.33

NOTE 17A : REVENUE FROM OPERATIONS (Contd..)

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Gross Sales & Services (inclusive of GST)	**1,07,399.99**	**56,918.56**
Less : GST	**(11,672.23)**	(5,481.18)
Net Sales & Services	**95,727.76**	**51,437.38**
Sale of Products	**83,768.73**	46,251.43
Sale of Scrap	**11,111.41**	4,354.59
Sale of Tools	**358.01**	265.11
Job work & Service Income	**489.61**	566.25
Net Sales & Services	**95,727.76**	**51,437.38**
Less : Discounts to Customers	**(732.44)**	(338.19)
Revenue from Sales & Services (A)	**94,995.32**	**51,099.19**

NOTE 17B : OTHER OPERATING REVENUE

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Export incentives and others	**387.06**	717.52
Total (B)	**387.06**	**717.52**
Total Revenue from Operations (A+B)	**95,382.38**	**51,816.71**

NOTE 18 : OTHER INCOME

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Interest on Deposits	**96.39**	80.43
Profit on Sale of Asset	**30.14**	-
Industrial Incentive	**1,051.46**	1,653.70
Other Misc. Receipts	**464.56**	315.10
Dividend Income	**0.00**	0.00
TOTAL	**1,642.55**	**2,049.23**

NOTE 19 : COST OF MATERIAL CONSUMED

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Opening stock	**7,462.68**	5,965.25
Add: Purchases	**78,863.61**	36,190.50
Less: Closing stock including Material in Transit	**(16,900.78)**	(7,462.68)
Consumption	**69,425.51**	**34,693.07**

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

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
A. Opening stocks:		
Work-in-process	**2,072.74**	2,040.09
Finished goods	**4,237.20**	3,361.63
Scrap	**348.15**	90.37
Total - A	**6,658.09**	**5,492.09**

NOTE 20: CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP (Contd..)

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
B. Closing stocks:		
Work-in-process	**4,597.69**	2,072.74
Finished goods	**3,609.12**	4,237.20
Scrap	**61.85**	348.15
Total - B	**8,268.66**	**6,658.09**
C. (Increase)/Decrease in stocks (A-B)	**(1,610.57)**	**(1,166.00)**

Note 21 : EMPLOYEE BENEFIT EXPENSE

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Employees remuneration and benefits	**6,951.37**	4,877.78
Employees settlement expenses	**-**	19.05
Contribution to PF/ESI *	**346.89**	259.02
Gratuity Expenses *	**73.96**	47.84
Remuneration to Directors	**192.72**	192.83
Staff welfare expenses	**282.17**	213.12
TOTAL	**7,847.11**	**5,609.64**

* Refer note no. 25.3

Note 22 : FINANCE COSTS

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Interest on Term Loans	**1,267.52**	505.93
Interest on Working Capital	**1,239.07**	1,550.70
Interest as per Ind AS	**423.92**	378.49
Interest on Income Tax	**94.69**	67.07
Bank Charges	**900.73**	426.07
Forex Loss	**34.57**	32.55
TOTAL	**3,960.50**	**2,960.81**

*Interest capitalized during the F.Y 2021-22 is NIL (Previous year ₹ 2.49 lakhs)

Note 23 : OTHER EXPENSES

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Consumption of Stores, Spares, Tools & Dies	**1,739.80**	1,128.05
Power & fuel	**793.08**	620.34
Repairs & Maintenance :		
Plant	**62.21**	31.05
Building	**13.88**	4.14
Vehicles	**13.35**	11.56
Other Assets	**132.95**	106.96
Loss on Sale/Scrap of Fixed Assets	**-**	159.93
Credit Risk Impaired	**70.60**	4.06
Credit Risk Allowance	**(61.11)**	2.52

Note 23 : OTHER EXPENSES (Contd..)

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Other selling & Distribution expenses	**461.19**	396.33
Packing Cost	**1,013.94**	739.88
Carriage outwards	**509.04**	327.71
Travelling & Conveyance	**304.45**	282.23
Insurance	**235.06**	140.72
Rent	**1.20**	3.18
Rates & Taxes (Excluding Taxes on Income)	**90.95**	94.86
Director's Sitting Fees	**21.25**	19.50
Forex loss on Export Receivables and Imports Payables	**58.22**	-
Remuneration to auditors :		
Audit Fee	**25.66**	24.45
Tax Audit Fee	**5.25**	5.00
Certification Fee /Taxation matter	**10.04**	4.81
Communication Expenses	**40.92**	36.37
Professional consultancy	**459.40**	387.43
CSR Expenses	**138.86**	50.15
Miscellaneous Expenses	**317.89**	294.23
TOTAL	**6,458.08**	**4,875.46**

NOTE 24 : TAX EXPENSES

₹ in lakhs

	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Current tax	**1,955.15**	1,098.34
Taxes on Earlier Years	**10.20**	(20.13)
Deferred (credit)/expenses	**(95.04)**	(99.54)
TOTAL	**1,870.31**	**978.67**

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS

25.1. Earnings per share (EPS) from continuing operations

Particulars	For the Year 2021 – 22	For the Year 2020 – 21
Earnings		
Profit for the period (₹ in lakhs)	**5,186.31**	2,875.61
Shares		
Number of shares at the beginning of the period	**3,20,50,067**	3,20,50,067
Add: Shares issued during the period	**-**	-
Total number of equity shares outstanding at the end of the period	**3,20,50,067**	3,20,50,067
Weighted average number of equity shares outstanding during the period	**3,20,50,067**	3,20,50,067
Earnings per share of par value ₹ 5/- Basic (₹)	**16.18**	8.97
Earnings per share of par value ₹ 5/- Diluted (₹)	**16.18**	8.97

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

25.2 Contingent Liabilities& Commitment

₹ in lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Contingent Liabilities-Claims against the Company not acknowledged as debts:		
(i) Service Tax liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 to 2011-12 up to December, 2011.	**68.55***	68.55*
(ii) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18.	**923.08***	923.08*
(iii) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2018-19.	**5.14***	5.14*
(b) Commitments		
(i) Bank guarantees	**1,401.43**	1,154.69
(ii) Estimated amount of liability on account of Capital Commitments	**3,181.55**	1,889.03

* No provision is considered since the Company expects favorable decision.

25.3. Employee Benefit Plans

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

A) Defined Benefit Plan

A summary of the Gratuity & Leave Encashment plans are as follows

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2021-22	2020-21	2021-22	2020-21
Discount Rate	**7.16%**	6.80%	**7.16%**	6.80 %
Rate of increase in Compensation levels	**2%p.a.**	2% p.a.	**2% p.a.**	2% p.a.
Rate of Return on Plan Assets	**7.16%**	6.80%	**0%**	0%
Expected Average remaining working lives of employees (years)	**25 yrs**	25 yrs	**25 yrs**	25 yrs

Changes in Present Value of Obligations	Gratuity Plan		Leave Encashment Plan	
	2021-22	2020-21	2021-22	2020-21
Present Value of Obligation as at the beginning of the year	**430.82**	305.98	**126.46**	89.24
Interest Cost	**28.51**	20.81	**7.59**	5.48
Current Service Cost	**45.45**	41.54	**36.83**	37.22
Benefits paid	**(23.14)**	(7.08)	**(29.56)**	(17.37)
Actuarial (gain)/ loss on obligations	**0.71**	69.57	**8.17**	11.89
Present Value of Obligation as at the end of the year	**482.35**	430.82	**149.50**	126.46
Amount to be recognized in Balance Sheet				
Present Value of Obligation as at the end of the year	**482.35**	430.82	**149.50**	126.46
Fair Value of Plan Assets as at the end of the year	**244.35**	213.85	**-**	-
Funded Status	**(238.00)**	(216.97)	**(149.50)**	(126.46)
Net Asset / (Liability) Recognized in Balance Sheet	**(238.00)**	(216.97)	**(149.50)**	(126.46)
Expenses Recognized in the Statement of Profit and Loss				
Current Service Cost	**45.45**	41.54	**36.83**	37.22
Past Service Cost	**-**	-	**-**	-
Interest Cost	**28.51**	20.81	**7.59**	5.48
Expected Return on Plan Assets	**(3.64)**	(7.59)	**-**	-
Net actuarial (gain)/ loss recognized in the year	**0.71**	69.57	**8.17**	11.89
Expenses Recognized in the Statement of Profit & Loss	**71.03**	124.33	**52.60**	54.58

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Sensitivity Analysis – Gratuity Plan

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

₹ in lakhs

Particulars	Gratuity Plan			
	As at 31.03.2022		As at 31.03.2021	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	**525.85**	**444.85**	472.08	395.47
Change in Rate of Salary Growth (Delta effect of +/-1%)	**436.86**	**535.66**	387.64	480.89
Change in Rate of Attrition (Delta effect of +/-1%)	**446.54**	**514.22**	397.34	460.89
Change in Mortality Rate (Delta effect of +/-10%)	**481.45**	**483.25**	430.01	431.62

Sensitivity Analysis – Leave Encashment Plan

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

₹ in lakhs

Particulars	Leave Encashment Plan			
	As at 31.03.2022		As at 31.03.2021	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	**166.02**	**135.68**	141.14	114.23
Change in Rate of Salary Growth (Delta effect of +/-1%)	**130.11**	**173.26**	109.43	147.39
Change in Rate of Attrition (Delta effect of +/-1%)	**131.11**	**165.64**	110.86	140.25
Change in Mortality Rate (Delta effect of +/-10%)	**149.13**	**149.87**	126.15	126.77

B) Defined Contribution Plan

Contribution to Defined Contribution plan, recognized as expense for the year is as under:

₹ in lakhs

Description	2021-22	2020-21
Employer Contribution to ESI	**37.31**	29.85
Employer Contribution to PF	**280.73**	206.95
Employer Contribution to pension scheme	**28.49**	21.94
Labor welfare fund	**0.36**	0.28
Total	**346.89**	**259.02**

25.4. Details of consumption of Raw Material

₹ in lakhs

Description	For the Year 2021-22	For the Year 2020-21
Imported	**10,740.31**	5,385.55
Indigenous	**58,685.20**	29,307.52
TOTAL	**69,425.51**	**34,693.07**

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.5. Stock and Turnover of Manufactured and Traded goods

₹ in lakhs

Description	For the Year 2021-22			For the Year 2020-21		
	Turnover	Closing Inventory (FG)	Opening Inventory (FG)	Turnover	Closing Inventory (FG)	Opening Inventory (FG)
Sale of Products	94,505.71	3,609.12	4,237.20	50,532.94	4,237.20	3,361.63
Sale of Services	489.61	-	-	566.25	-	-
TOTAL	94,995.32	3,609.12	4,237.20	51,099.19	4,237.20	3,361.63

25.6. Stock of Work in process

₹ in lakhs

Description	As at 2021-22	As at 2020-21
Work/Material in process	4,597.69	2,072.74
TOTAL	4,597.69	2,072.24

25.7. CIF Value of Imports

₹ in lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
Capital goods	3,122.48	3,187.00
Raw Materials	12,726.01	6,121.74
Stores and Spares	147.70	59.39
TOTAL	15,996.19	9,368.13

25.8. Earnings in Foreign Currency

₹ in lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
FOB value of Exports	26,480.31	20,026.59

25.9. Expenditure in Foreign Currency

₹ in lakhs

Particulars	For the Year 2021-22	For the Year 2020-21
Travelling and others	210.07	197.82
Total	210.07	197.82

25.10. Disclosure as per Section 186 of the Companies Act, 2013

The details of loans, guarantees and investments under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

(i) Details of investment made are given in Note 3A &25.13

(ii) There are no guarantees issued by your Group in accordance with section 186 of the Companies Act, 2013 read with rules issued there under

25.11. Segment Reporting

Segments are identified in line with Indian Accounting Standards (Ind AS) 108 “Operating Segments”, taking into consideration the internal organization and management structure.

Operating Segments are components of the Group whose operating results are regularly reviewed by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assesses it performance and for which discreet information is available.

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

The operating segment of the Group is identified to be manufacturing of "Engineering Products of Iron and Steel" and the CODM reviews business performance at an overall Group level as one segment. Hence no separate disclosure is provided.

Information by Geographies:

In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

a) **Revenue from External Customers:**

₹ in lakhs

Sl. No	Segment Revenue	For the Year 2021-22	For the Year 2020-21
a)	India	**67,412.97**	33,802.38
b)	Outside India	**29,611.96**	20,063.56
	TOTAL	**97,024.93**	**53,865.94**

b) **Assets**

₹ in lakhs

Segment Assets	Carrying amount of assets	
	As at 31.03.2022	As at 31.03.2021
India	**83,080.53**	61,888.73
Outside India	**12,576.36**	8,234.55
TOTAL	**95,656.89**	**70,123.28**

c) **Revenue from Major Customers:**

Details of single external customer from whom the Company receives more than 10% of the revenue:

Revenue from four customers of the Company, having more than 10% of the total revenue aggregating to ₹ 39,234.15 lakhs (previous year ₹ 27,593.95 lakhs).

25.12. Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

₹ in lakhs

Particulars	Fair value hierarchy			
	Total	Quoted prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
31-March-22				
Financial Asset				
Investment in equity instruments	1,641.73	0.69	1,641.04	-
Security Deposits	39.39	-	-	39.39
Financial Liability				
Borrowings	32,442.79	-	-	32,442.79
Total	**34,123.91**	**0.69**	**-**	**32,482.18**
31-March-21				
Financial Asset				
Investment in equity instruments	1,642.07	1.03	1,641.04	-
Security Deposits	16.92	-	-	16.92
Financial Liability				
Borrowings	25,364.24	-	-	25,364.24
Total	**27,023.23**	**1.03**	**1,641.04**	**25,381.16**

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.13 Related party disclosures

I) List of Related parties

Wholly Owned Subsidiary

(i) Pitti Rail and Engineering Components Limited

Directors

(i) Shri Sharad B Pitti*

(ii) Shri Akshay S Pitti*

(iii) Shri N.R. Ganti

(iv) Shri G. Vijaya Kumar#

(v) Shri M. Gopalakrishna

(vi) Ms. Gayathri Ramachandran

(vii) Shri S. Thiagarajan

Relatives of Directors* with whom transactions have taken place

(i) Smt Madhuri S Pitti

(ii) Smt Radhika A Pitti

(iii) Sharad B Pitti (HUF)

Key Managerial Personnel

(i) Shri N. K. Khandelwal (till 13.04.2022)

(ii) Ms. Mary Monica Braganza

Companies in which Directors* having interest with whom transactions have taken place

i. Pitti Castings Private Limited

ii. Pitti Electrical Equipment Private Limited

iii. Pitti Components Limited

iv. Pitti Trade and Investments Private Limited

Entities in which Directors*# having interest with whom transactions have taken place

Badrivishal Pannalal Pitti Trustt

A. Transactions/balances outstanding with related parties:

For the Financial Year 2021-22

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Directors/ Relatives	Director's interest in Group/Entities	Key Managerial Personnel	Total
1	Remuneration	212.81	-	108.92	321.73
2	Rent / Lease Expenses	283.20	-	-	283.20
3	Rent / Lease Income	-	1.58	-	1.58
4	Purchases of goods & services	-	9,808.12	-	9,808.12
5	Sales of goods & services	-	1,191.87	-	1,191.87
6	Unsecured Loan - received	2,730.00	-	-	2,730.00
7	Unsecured Loan – repaid	2,730.00	-	-	2,730.00
8	Inter Corporate Deposits – received	-	70.00	-	70.00

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Directors/ Relatives	Director's interest in Group/Entities	Key Managerial Personnel	Total
9	Inter Corporate Deposits – repaid	-	70.00	-	70.00
10	Interest paid	308.20	0.08	-	308.28
11	Dividend paid	121.66	101.60	0.82	224.08
12	Amount payable at the year end	2,558.59	1,932.21	5.81	4,496.61
13	Amount receivable at the year end	60.23	283.65	-	343.88
14	Investments at the year end	-	1,641.00	-	1,641.00

For the Financial Year 2020-21

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Directors/ Relatives	Director's interest in Group/Entities	Key Managerial Personnel	Total
1	Remuneration	207.87	-	99.77	307.64
2	Rent / Lease Expenses	268.53	-	-	268.53
3	Rent / Lease Income	-	1.50	-	1.50
4	Purchases of goods & services	-	8,982.47	-	8,982.47
5	Sales of goods & services	-	565.61	-	565.61
6	Unsecured Loan - received	3,660.00	-	-	3,660.00
7	Unsecured Loan – repaid	1,150.00	-	-	1,150.00
8	Inter Corporate Deposits – received	-	1,150.00	-	1,150.00
9	Inter Corporate Deposits – repaid	-	2,150.00	-	2,150.00
10	Donations for CSR	-	50.15	-	50.15
11	Interest paid	-	161.02	-	161.02
12	Amount payable at the year end	2,554.21	144.30	7.78	2,706.29
13	Amount receivable at the year end	60.23	519.88	-	580.11
14	Investments at the year end	-	1,641.00	-	1,641.00

B. Disclosure pursuant to regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Transaction with Promoter / Promoter Group holding more than 10% of equity share capital of the Company

₹ in lakhs

Sl. No.	Particulars	For the Year 2021-22	For the Year 2020-21
1	**Shri Sharad B Pitti**		
	- Remuneration	**98.78**	96.93
	- Lease Rental	**97.90**	92.05
	- Interest on Unsecured Loans	**-**	2.56
	- Dividend	**51.11**	-
	- Unsecured Loans Received	**-**	175.00
	- Unsecured Loans Repaid	**-**	175.00
	- Amount Payable at the year end	**15.70**	13.48
	- Amount Receivable at the year end (Rent deposit)	**20.21**	20.21
2	**Shri Akshay S Pitti**		
	- Remuneration	**98.78**	95.90
	- Dividend	**49.68**	-
	- Interest on Unsecured Loans	**308.20**	58.58
	- Unsecured Loans Received	**2,730.00**	3,485.00
	- Unsecured Loans Repaid	**2,730.00**	975.00
	- Amount Payable at the year end	**2,514.66**	2,512.46

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

₹ in lakhs

Sl. No.	Particulars	For the Year 2021-22	For the Year 2020-21
3	**Pitti Electrical Equipment Pvt Ltd**		
	- Interest on Inter Corporate Deposits	**0.08**	80.15
	- Purchase of Goods	**38.48**	638.86
	- Dividend	**101.60**	-
	- Intercorporate Deposits Received	**70.00**	-
	- Intercorporate Deposits Repaid	**70.00**	1,000.00
	- Amount Payable at the year end	**-**	112.72

25.14. Deferred Tax

₹ in lakhs

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2021	Current Year charge (Debit)/ Credit	Deferred Tax (Liability)/ Asset as at 31.03.2022
1	Difference between Depreciation as per Co's Act. & as per IT Act.	**(1,954.73)**	(3.86)	(1,958.59)
2	Others	**947.39**	98.90	1,046.29
	Deferred Tax Net	**(1,007.34)**	**95.04**	**(912.30)**

25.15. The Group has provided for cess as specified in section 441 A of the Companies Act, 1956 and in the absence of any notification by the Central Govt. the Group could not deposit the same with the appropriate authority.

25.16. The assessment for impairment of assets has taken place at the end of reporting period as per guidelines laid down in Ind AS 36, 'Impairment of assets'. For the assets having recoverable amount less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the resulting impairment loss is recognised in profit or loss.

25.17. Micro, Small and Medium Enterprises Development Act, 2006

Disclosure required as per section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) is given below:

₹ in lakhs

Sl. No.	Particulars	Year 2021-22	Year 2020-21
1	Principal amounts due to suppliers under MSMED	**131.73**	249.78
2	Interest accrued and due to suppliers covered under MSMED on the above amount, unpaid	**-**	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	**-**	-
4	Interest paid to suppliers covered under MSMED	**-**	-
5	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	**-**	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with Group.

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

25.18. Additional Information as required by paragraph 2 of the general Instructions for preparation of consolidated Statements to Schedule III to the companies Act, 2013

₹ in lakhs

Particulars	As at 31st March 2022		Year Ended 31st March 2022					
	Net Assets i,e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	As a % of Consoli-dated net assets	Amount	As a % of Consoli-dated profit or Loss	Amount	As a % of other compre-hensive income	Amount	As a % of total compre-hensive income	Amount
Parent								
Pitti Engineering Limited	100%	28,398.06	100%	5,190.55	100%	2.60	100%	5,193.15
Subsidiary								
Pitti Rail & Engineering Components Limited	0%	(0.37)	100%	(3.15)	-	-	100%	(3.15)
Total Elimination	0%	5.00	-	-	-	-	-	-
Total	**100%**	**28,392.69**	**100%**	**5,187.40**	**100%**	**2.60**	**100%**	**5,190.00**

₹ in lakhs

Particulars	As at 31st March 2021		Year Ended 31st March 2021					
	Net Assets i,e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	As a % of Consoli-dated net assets	Amount	As a % of Consoli-dated profit or Loss	Amount	As a % of other compre-hensive income	Amount	As a % of total compre-hensive income	Amount
Parent								
Pitti Engineering Limited	100%	23,581.50	100%	2,877.84	100%	(76.40)	100%	2,801.44
Subsidiary								
Pitti Rail & Engineering Components Limited	0%	2.78	0%	(2.23)	0%	-	0%	(2.23)
Total Elimination	0%	5.00	0%	-	0%	-	0%	-
Total	**100%**	**23,579.28**	**100%**	**2,875.61**	**100%**	**(76.40)**	**100%**	**2,799.21**

25.19. Right of Use of Assets

For the Financial Year 2021-22

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2021	191.93	2,050.37	5,090.85	79.40	-	7,412.55
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	330.30	1,367.80	9.07	-	1,707.17
Deletions/Adjustments	-	-	-	-	-	-
Depreciation	17.88	151.19	626.65	23.90	-	819.62
Balance as on 31st March 2022	**174.05**	**2,229.48**	**5,832.00**	**64.57**	**-**	**8,300.10**

For the Financial Year 2020-21

₹ in lakhs

Particulars	Category of ROU Assets					Total
	Land	Building	Plant & Machinery	Vehicles	Computers	
Balance as on 1st April 2020	209.81	2,152.55	-	41.51	19.20	2,423.07
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-
Additions/Adjustments	-	17.92	5,442.02	62.74	-	5,522.68
Deletions/Adjustments	-	-	-	-	-	-
Depreciation	17.88	120.10	351.17	24.85	19.20	533.20
Balance as on 31st March 2021	**191.93**	**2,050.37**	**5,090.85**	**79.40**	**-**	**7,412.55**

25.20. Letters have been written for confirmation of debit and credit balances pertaining to debtors and creditors and reply from certain parties are awaited.

25.21. Financial and Derivative Instruments:

₹ in lakhs

Description	As at 31.03.2022	As at 31.03.2021
Forward Contracts	**7,071.55**	4,077.31

All financial and forward contracts entered into by the Group are for hedging purpose only.

25.22. Statutory Auditor's Remuneration

₹ in lakhs

Sl. No.	Description	Year 2021-22	Year 2020-21
1	Statutory Audit	**25.66**	24.45
2	Tax Audit	**5.25**	5.00
3	Certification fee / Taxation matter	**10.04**	4.81

25.23. Key Ratios

₹ in lakhs

Sl. no	Particulars	Numerator	Denominator	31.03.2022	31.03.2021	Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	**1.19**	1.13	5.31%	
2.	Debt- Equity Ratio (in times)	Debt *	Equity	**1.15**	1.08	6.48%	
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	**5.37**	3.83	40.21%	Note 1 (a)
4.	Return on Equity (in%)	Profit after tax	Shareholder equity	**18.27%**	12.20%	49.75%	Note 1 (a)
5.	Inventory Turnover Ratio (in times)	Sales	Average Inventory	**4.42**	3.60	22.78%	
6.	Trade Receivables Turnover Ratio (in times)	Net sales	Average Receivables	**5.05**	3.28	53.96%	Note 1 (b)
7.	Trade Payables Turnover ratio (in times)	Net Purchase	Average payables	**5.84**	5.06	15.42%	
8.	Net Capital turnover ratio (in times)	Net sales	Working Capital	**9.99**	11.76	-15.05%	
9.	Net Profit Ratio (in %)	Net profit	Net sales	**5.35%**	5.34%	0.19%	
10.	Return on capital employed (in%)	Earnings before interest and taxes	Capital employed	**17.29%**	12.43%	39.10%	Note 1 (a)

* Debt excludes lease liabilities.

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

Note 1: Improvement in ratio due to a) increased earnings on account of overall business growth (b) Improved collections and revenue growth.

Definitions:

(a) Current Assets = Total Current Assets as per Balance Sheet

(b) Current Liabilities = Total Current Liabilities as per Balance Sheet

(c) Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet

(d) Equity/Shareholder Equity = Total Equity as per Balance Sheet

(e) EBDIT = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings

(f) Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)

(g) Average Inventory = (Opening Inventory + Closing Inventory)/2

(h) Average Receivables = (Opening Receivables + Closing Receivables)/2

(i) Average Payables = (Opening Payables + Closing Payables)/2

(j) Working Capital = Current Assets – Current Liabilities

(k) Capital Employed = Total Assets- Current Liabilities

25.24 Other Statutory Information

(i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(iv) The Group does not have any transactions with companies struck off.

(v) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules 2017.

(vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

NOTE 25: CONSOLIDATED NOTES ON ACCOUNTS (Contd..)

(ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961 (such as search or survey or any other relevant provisions of the Income Tax Act 1961).

(x) Corporate Social Responsibility (CSR) :

₹ in lakhs

Sl. No.	Particulars	Year ended 31 March 2022	Year ended 31 March 2021
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	**69.38**	50.15
b.	Amount of expenditure incurred	**138.86**	50.15
c.	(Excess)/Shortfall at the end of the year	**(69.48)**	-
d.	Total of previous years shortfall	**-**	-
e.	Reason for shortfall	**-**	-
f.	Nature of CSR Activities	**1) Promotion of Health Care** **2) Protection of National Heritage**	1) Eradicating Hunger, Poverty & Malnutrition 2) Promoting Education 3) Women Empowerment 4) Promotion of Health Care
g.	Details of related party transactions, e.g., contribution to a trust controlled by the company	**Nil**	CSR Activities undertaken through M/s. Badrivishal Pannalal Pitti Trust (A Public Charitable Trust by Pitti family)
h.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	**Nil**	Nil

(xi) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year

As per our report of even date

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

For **Laxminiwas & Co**
Chartered Accountants
Firm's Registration Number: 011168S

Vijay Singh
Partner

M. No:221671

Place : Hyderabad
Date : 23rd May 2022

Sharad B Pitti
Chairman & Managing Director
DIN:00078716

Akshay S Pitti
Vice-Chairman & Managing Director and Interim CFO
DIN:00078760

G Vijaya Kumar
Director
DIN:00780356

Mary Monica Braganza
Company Secretary & Compliance Officer
M. No:F5532

Place : Hyderabad
Date : 23rd May 2022

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Book Running Lead Manager, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue share capital (assuming that the Equity Shares are Allotted to them pursuant to the Issue) that may be held by them, is set forth below:

Sr. No.	Name of the proposed Allotees	Percentage of the post-Issue share capital (%)^
1.	[●]	[●]
2.	[●]	[●]
3.	[●]	[●]

^Based on beneficiary position as on [●], 2024 (adjusted for Equity Shares Allocated in the Issue)

Notes:

1. *The above table has been intentionally left blank and will be filled-in before the filing of the Placement Document with the Stock Exchanges.*
2. *The post-Issue shareholding (in percentage terms) of the proposed Allottees will be disclosed on the basis of their respective PAN, except in case of Mutual Funds, insurance companies, and Eligible FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID will be considered.*
3. *Subject to Allotment in the Issue*

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS:

____

Akshay Sharad Pitti
Managing Director and Chief Executive Officer
DIN: 00078760

Place: Hyderabad
Date: July 8, 2024

DECLARATION

We, the Board of Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed on behalf of the Board of Directors:

____

Akshay Sharad Pitti
Managing Director and Chief Executive Officer
DIN: 00078760

Place: Hyderabad
Date: July 8, 2024

I am severally authorised by the Fund Raise Committee of the Company, *vide* resolution dated July 8, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Akshay Sharad Pitti
Managing Director and Chief Executive Officer
DIN: 00078760

Place: Hyderabad
Date: July 8, 2024

PITTI ENGINEERING LIMITED
CIN: L29253TG1983PLC004141

Registered and Corporate Office

6-3-648/401, IV Floor,
Padmaja Landmark,
Somajiguda, Hyderabad – 500 082, India

DETAILS OF COMPLIANCE OFFICER

Mary Monica Braganza, Company Secretary and Chief Compliance Officer
6-3-648/401, IV Floor,
Padmaja Landmark,
Somajiguda,
Hyderabad – 500 082, India.
Telephone: +91 40 2331 2774 / 2331 2770
E-mail: monica.m@pitti.in/shares@pitti.in

BOOK RUNNING LEAD MANAGER

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road
Opposite Parel ST Depot
Prabhadevi, Mumbai - 400 025
Maharashtra, India

DOMESTIC LEGAL COUNSEL TO ISSUE

J. Sagar Associates
B-303, 3rd Floor, Ansal Plaza
Hudco Place, August Kranti Marg
New Delhi – 110049, India

SPECIAL INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGER

Duane Morris & Selvam LLP
16 Collyer Quay, # 17-00
Singapore 049318

STATUTORY AUDITORS

Talati & Talati LLP
Chartered Accountants
Ambica Chambers
Near Old High Court
Navrangpura
Ahmedabad - 380 009

SAMPLE APPLICATION FORM

"An indicative form of the Application Form is set forth below:"

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLMs, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format below.)

PITTI	**PITTI ENGINEERING LIMITED** **Registered Office and Corporate Office:** 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India. **CIN:** L29253TG1983PLC004141 **Telephone**: +91 40-23312774/ 23312770 | **Facsimile**: +91-40-2339 3985 | **E-mail:** shares@pitti.in | **Website**: www.pitti.in **LEI:** 335800P9GMK7T8A6T742 **| ISIN:** INE450D01021	**APPLICATION FORM** Form No.: Date:

Name of the Bidder:

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO APPROXIMATELY ₹ [●] LAKHS UNDERTAKEN IN ACCORDANCE WITH CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY PITTI ENGINEERING LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 1,054.25 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable), (d) are eligible to invest in the Issue and submit this Application Form; (e) are resident in India; (f) a multilateral or bilateral development financial institution eligible to participate in the Issue under applicable laws, including the FEMA Rules (defined below) or a (g) Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI FPI Regulations") and any other applicable law (other than individuals, corporate bodies and family offices), that are eligible to participate in the Issue ("Eligible FPIs), can submit this Application Form. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue.

The Equity Shares offered in the Issue have not been and will not be registered, listed or otherwise qualified in any jurisdiction, except India. In particular, the Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). For the selling restrictions in certain other jurisdictions, see the section titled "Selling Restrictions" in the accompanying preliminary placement document dated July 8, 2024 (the "PPD"). See "Transfer Restrictions" in the PPD for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE. ELIGIBLE FPIS ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES READ WITH THE RESTRICTION SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT, IN THE ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors

STATUS (Please tick for applicable category)			
FI	Scheduled Commercial Bank and Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio

			Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Funds**
SI-NBFC	Systematically Important Non – Banking Financial Companies	**OTH**	Others ________________ (Please specify)
Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD. *Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue. ** Sponsor and Manager should be Indian owned and controlled.			

PITTI ENGINEERING LIMITED
Registered Office and Corporate Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, India.
Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoter or promoter group or persons related to the Promoter. Further, we confirm that we do not have any rights under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company.

We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**SEBI Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Application Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Motilal Oswal Investment Advisors Limited (the "**BRLM**" or the "**Book Running Lead Manager**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, the Placement Document (when issued) and the confirmation of allocation note ("**CAN**") (when issued) and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Application Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Application Amount for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this duly completed Application Form prior to the Issue Closing Date and such Application Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Application Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Application Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Application Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Telangana at Hyderabad (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("**RBI**") and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020

By signing and/or submitting this Application Form, we hereby confirm and agree (i) that the representations, warranties, acknowledgements and agreements as provided in the sections entitled "Notice to Investors", "Representations by Investors", "Issue Procedure", "Selling Restrictions" and "Transfer Restrictions " of the PPD and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the Book Running Lead Manager, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we also hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "Risk Factors" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the Book Running Lead Manager or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the Book Running Lead Manager, and the submission of this Application Form and payment of the corresponding Application Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the Book Running Lead Manager; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the Book Running Lead Manager. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; (5) we agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below; (11) we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares; (12) we have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares; (13) no action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction; (14) we satisfy any and all relevant suitability standards for investors in Equity Shares, (15) we acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws and that the Equity Shares are only being offered and sold only outside the United States in in "offshore transactions" as defined in and in reliance on Regulation S; and (15) we are located outside the United States (as defined in Regulation S) and we are not submitting this Application Form as a result of any "directed selling" efforts (as defined in Regulation S).

We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Application Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
MOBILE NO.			
EMAIL ID			
FOR ELIGIBLE FPIs**	SEBI FPI REGISTRATION NO.		
FOR MF	SEBI MF REGISTRATION NO.		
FOR AIFs***	SEBI AIF REGISTRATION NO.		

BIDDER DETAILS (In Block Letters)		
FOR VCFs*	SEBI VCF REGISTRATION NO.	
FOR SI-NBFC	RBI REGISTRATION DETAILS	
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS.	
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS.	

*Name should exactly match with the name in which the beneficiary account is held. Application Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLM.
** In case you are an Eligible FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.
*** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

NO. OF EQUITY SHARES BID FOR		PRICE PER EQUITY SHARE (RUPEES)		APPLICATION AMOUNT (RUPEES)	
(In Figures)	(In Words)	(In Figures)	(In Words)	(In Figures)	(In Words)

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the Book Running Lead Manager will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document

DEPOSITORY ACCOUNT DETAILS				
Depository Name (Please ✓)		National Security Depository Limited		Central Depository Services (India) Limited
Depository Participant Name				
DP – ID	I N			
Beneficiary Account Number				(16-digit beneficiary account. No. to be mentioned above)

The demographic details like address, bank account details, etc., will be obtained from the Depositories as per the beneficiary account given above. However, for the purpose of refund, if any, only the bank details as mentioned below, from which the Application Amount has been remitted for the Equity Shares applied for in the Issue, will be considered.

PAYMENT DETAILS | REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 3.00 p.m. (IST), [●], 2024

BANK ACCOUNT DETAILS FOR PAYMENT OF APPLICATION AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Pitti Engineering Limited - QIP Escrow Account	**Account Type**	Escrow
Name of Bank	Kotak Mahindra Bank	**Address of the Branch of the Bank**	Mumbai-Nariman point
Account No.	5548932479	**IFSC**	KKBK0000958
LEI Number	335800P9GMK7T8A6T742	**Email and telephone no.**	CMSIPO@kotak.com, mansi.sata@kotak.com &7989779569

The Application Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of Pitti Engineering Limited - QIP Escrow Account. Payment of the entire Application Amount should be made along with the Application Form on or before the closure of the Issue Period, i.e., prior to the Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the Book Running Lead Manager shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)

Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

DETAILS OF CONTACT PERSON			
Name:			
Address:			
Tel. No:		Fax No:	
Mobile No.	____ Email: ____		

OTHER DETAILS	
PAN	
Date of Application	
Signature of Authorised Signatory (may be signed either physically of digitally)	

ENCLOSURES ATTACHED

- ☐ Copy of PAN Card or PAN allotment letter**
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of the SEBI registration certificate as an Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Certified copy of certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank
- ☐ Copy of the IRDAI registration certificate
- ☐ Intimation of being part of the same group
- ☐ Certified true copy of the power of attorney
- ☐ Other, please specify __________________

**A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practicable.*
***Please note that the Bidder should not mention the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 1961, as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD.
Note 2: This Application Form may be rejected if any information provided is incomplete or inadequate, at the discretion of the Company, in consultation with the BRLM.
Note 3: The duly filed Application Form along with all enclosures shall be submitted to the BRLM either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the BRLM, shall identify Eligible QIBs and circulate serially numbered copies of this Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of this Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)

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