

Ref: BCML/MB/2022/257

September 19, 2022

BSE Ltd
Floor 25, P J Towers, Dalal Street
Mumbai – 400 001

Dear Sir,

Subject: Open Offer to the public shareholders of Pitti Engineering Ltd (formerly known as Pitti Laminations Ltd) (“Target Company”) by Ms. Madhuri S. Pitti and M/s Pitti Electrical Equipment Private Ltd (“Acquirers”) along with Mr. Sharad B Pitti and Mr. Akshay S. Pitti and as persons acting in concert with the Acquirers (“PACs”) in terms of SEBI (Substantial Acquisition of Shares and Takeovers), 1997 (“Open Offer”)

This has reference to the proposed Open Offer to the public equity shareholders of Pitti Engineering Limited.

With further reference to our letter dated September 17, 2022 on the captioned subject, please find attached a copy of the Letter of Offer for your records.

Yours faithfully,

For **BOB Capital Markets Limited**



(Authorized Signatory)

Name: Poorna Pikle

Designation: Senior Vice President

Contact No.: 022-61389341 / 9930027830

Email: poorna@bobcaps.in

Encls : a/a

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a public equity shareholder(s) of Pitti Engineering Limited (formerly Pitti Laminations Limited). If you require any clarification about action to be taken, you may consult your stockbroker or investment consultant or Manager to the Offer, BOB Capital Markets Limited or Registrar to the Offer, Bigshare Services Private Limited. In case you have recently sold your Equity Shares in Pitti Engineering Limited (formerly Pitti Laminations Limited), please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed(s) to the member of the stock exchange through whom the said sale was effected.

Pursuant to Regulations 11(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (“SEBI (SAST) Regulations”)

Smt. Madhuri S Pitti residing at 6-3-648, Moti Bhavan, Somajiguda, Hyderabad- 500082, India, Tel No: +91-40-2331 0101 and **Pitti Electrical Equipment Private Limited (“PEEL”)**, having its registered office at 6-3-648/2, Somajiguda, Rajbhavan Road, Hyderabad - 500 082, India, Tel No: +91-40-2331 2770, Fax No: +91-40-2339 3985, (Both herein after together referred to as “Acquirers”)

along with

Shri Sharad B Pitti and Shri Akshay S Pitti (“Persons Acting in Concert” or the “PAC”) residing at 6-3-648, Moti Bhavan, Somajiguda, Hyderabad-500082, India, Tel No: +91-40-2331 0101/23310821.

Make a **CASH OFFER AT ₹90/- (RUPEES NINETY ONLY)* PER FULLY PAID UP EQUITY SHARE (“Offer Price”)**

To acquire 64,10,014 Equity Shares of ₹5/- (Rupees Five only) each fully paid up (“Offer Shares”), representing 20% of the total Voting Capital (“Offer”)*

of

Pitti Engineering Limited (formerly Pitti Laminations Limited) (“Target Company” or “Pitti Engineering”)

Registered Office: 6-3-648/401, 4th Floor, Padmaja Landmark, Somajiguda, Hyderabad - 500082, India, Tel No: +91-40-23312770, 23312774, Fax No: +91-40-23393985

*Note: i. The capital of the Target Company is subdivided from ₹10/- paid up to ₹5/- paid up w.e.f. April 17, 2015. Consequently, the issued and paid-up capital of the Target Company changed from 1,34,91,700 Equity Shares of ₹10/- each to 2,69,83,400 Equity Shares of ₹5/- each. Subsequently, the Target Company allotted 28,44,445 Equity Shares and 22,22,222 Equity Shares on February 14, 2018 and June 24, 2019 at ₹90/- respectively. Thereby the issued and paid-up capital of the Target Company is 3,20,50,067 Equity Shares. ii. Pursuant to the PA, the Acquirer i.e. PEEL and the PAC i.e. Shri Sharad B Pitti and Shri Akshay S Pitti have acquired Equity Shares on preferential basis at ₹90/-. Pursuant to the SEBI Letter dated September 09, 2022, SEBI has directed the Acquirers to revise the Offer Price to ₹90/- as the final price payable to the Public Equity Shareholders. The Acquirers have therefore decided to accept the revised Offer Price of ₹90/- per Equity Share and have decided to proceed with SEBI’s directions on the basis that there will be no further revisions to the Offer Price of ₹90/- per Equity Share. The Offer Price shall be revised if required as per applicable law for any subsequent acquisition of Equity Shares by the Acquirers and the PAC during this Offer period. In accordance with SEBI direction, the Offer Size has been increased to 64,10,014 Equity Shares. Therefore, all the figures / amounts in this Letter of Offer with respect to Offer Shares and Offer Price has been modified accordingly.

Notes:

- This Offer is being made by the Acquirers and the PAC to the Public Equity Shareholders (i.e. shareholders other than the Promoter group) of the Target Company, pursuant to, and in accordance with the provisions of Regulation 11(1) of the SEBI (SAST) Regulations for substantial acquisition of 64,10,014 fully paid up Equity Shares of ₹5/- each at ₹90/- per share (“Offer Price”) by the Acquirers, constituting 20% of the Voting Capital of the Target Company from the Public Equity Shareholders (the “Offer Shares”), with no change in the control or management of the Target Company consequent to the acquisition (“Offer”).
- For the purpose of computing the voting percentage, the voting rights as at the expiration of 15 days after the closure of the Offer has been reckoned.
- The Offer is not conditional on any minimum level of acceptance.
- As on the date of this Letter of Offer (“LOF”), the Offer is not subject to any other statutory and regulatory approvals, however it may be subject to such approvals as may become applicable at a later date.
- Approvals from any bank/ financial institution as on date of PA or Statutory/ Regulatory Authority, have been obtained for the purpose of this Offer.
- Public Equity Shareholders who accept the Offer by tendering the requisite documents in terms of the Public Announcement (“PA”)/Corrigendum to PA and LOF can withdraw the same up to three (3) working days prior to the date of closure of the Offer (i.e. not later than October 07, 2022) in terms of Regulation 22(5A) of the SEBI (SAST) Regulations.
- Regulation 26 of the SEBI (SAST) Regulations provides for an upward revision of the Offer Price / Offer Size at any time, up to seven (7) working days prior to the date of closure of the Offer (i.e. not later than October 03, 2022). In case of revision in the Offer Price / Offer Size, the Public Announcement for revision will be made in the same newspapers in which the PA appeared. The revised price shall be paid by the Acquirers for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer.
- This is not a competitive bid and no competitive bid has been announced.
- A copy of the PA, Public Notice, Corrigendum to PA and the LOF (including the Form of Acceptance cum Acknowledgment (“FOA”) and Form of Withdrawal (“FOW”) will be available on Securities and Exchange Board of India (“SEBI”) website (www.sebi.gov.in). A copy of these documents may also be obtained from the Registrar to the Offer, commencing on the date of the dispatch of the LOF.
- Non-resident shareholders who wish to tender their shares in this Offer will be required to submit all the previous approvals from RBI (final/specific) and Foreign Investment Promotion Board where applicable that they would have obtained for acquiring the Equity Shares of the Target Company. In case previous RBI approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in the Offer.
- In case of delay in receipt of requisite statutory approvals in relation to the Offer, if any, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to the Public Equity Shareholders, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations.
- The SEBI (SAST) Regulations have since been replaced by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011 (“SEBI (SAST) Regulations, 2011”). However, since the PA of this Offer was made prior to SEBI (SAST) Regulations, 2011 coming into force, this Offer will continue to be made in accordance with the SEBI (SAST) Regulations.

FOR PROCEDURE FOR ACCEPTANCE OF THIS OFFER PLEASE REFER TO SECTION “TERMS AND CONDITIONS OF THE OFFER” ON PAGE NO. 49 OF THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 BOBCAPS TRUST INNOVATION EXCELLENCE	
BOB Capital Markets Limited 1704, B Wing, 17th Floor, Parinee Crescenzo, Plot No. C- 38/39, G Block, Bandra Kurla Complex, Bandra East Mumbai 400051. Maharashtra, India. Tel No.: +91-22-61389300 Email: pll@bobcaps.in, Web: www.bobcaps.in Contact Person: Ms. Nivedika Chavan SEBI Registration No.: MB/INM000009926	Bigshare Services Private Limited Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai 400 093, Maharashtra, India Tel No.: +91-22-62638200, Fax No.: +91-22-62638299 E-mail: openoffer@bigshareonline.com Contact Person: Mr. Swapnil Kate SEBI Registration No.: INR000001385
OFFER OPENS ON: Friday, September 23, 2022	OFFER CLOSES ON: Wednesday, October 12, 2022

(For schedule of Major Activities of the Offer, please refer to the next page)

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity Schedule	Original Offer Schedule as per PA (Day and Date)	Revised Offer Schedule (Day and Date)
Public Announcement Date	Friday, September 09, 2011	-
Specified Date*	Monday, September 12, 2011	Friday, September 09, 2022
Last date for a Competitive Bid	Friday, September 30, 2011	Friday, September 30, 2011
Notice to Public Announcement date	-	Thursday, December 26, 2012
First Corrigendum to the Public Announcement date	-	Friday, January 24, 2014
Second Corrigendum to the Public Announcement date	-	Friday, September 16, 2022
Last Date by which Letter of Offer will be posted to shareholders	Tuesday, October 18, 2011	Monday, September 19, 2022
Date of Opening of the Offer	Monday, October 31, 2011	Friday, September 23, 2022
Last date for revising the Offer Price / Offer size	Saturday, November 12, 2011	Monday, October 03, 2022
Last date of withdrawal of tendered application by the shareholders	Thursday, November 17, 2011	Friday, October 07, 2022
Date of Closing of the Offer	Saturday, November 19, 2011	Wednesday, October 12, 2022
Date by which acceptance / rejection under the Offer would be intimated and the corresponding payment for the acquired Equity Shares and/or the unaccepted demat Shares / Share Certificate(s) will be credited/ dispatched	Saturday, December 03, 2011	Wednesday, October 26, 2022

*Specified date is only for the purpose of determining the names of Shareholders to whom the Letter of Offer will be sent. However, the owners (registered or unregistered) of the Equity Shares of the Target Company (except Promoter Group) are eligible to participate in the Offer any time before the closure of the Offer.

RISK FACTORS

The risk factors set forth below are not intended as a complete analysis of all risks as perceived in relation to the Offer or the Acquirers and the PAC, but are only indicative. They are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Equity Shareholder in the Offer. Public Equity Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analysing all the risks with respect to their participation in the Offer. Given below are the risks related to the participation in the Offer and getting associated with the Acquirers.

A. Risk factors relating to the Offer

- The Offer is subject to the receipt of statutory/regulatory and other approvals, as provided in this Letter of Offer for the acquisition of Equity Shares by the Acquirers under the Offer. The Target Company had entered into agreements with banks and financial institutions for working capital and term loan finance. The loan agreements contained clauses, as per which any change in capital structure would require approvals of the institutions / banks. The Target Company had obtained requisite approvals for this Open Offer from institutions/banks with whom the Target Company had entered into agreements with for the purpose of this Open Offer as on date of PA. The Acquirers may not be able to proceed with the Offer in terms of Regulation 27 of the SEBI (SAST) Regulations in the event that any of the statutory approval(s) as may be required under the Offer are refused.
- In the event any statutory approvals are not received in a timely manner, the Offer process may be delayed beyond the schedule indicated in this LOF. Consequently, the payment of consideration to the Public Equity Shareholders whose Equity Shares have been accepted in the Offer as well as the return of the Equity Shares not accepted by the Acquirers may be delayed. In case of delay due to non-receipt of statutory/regulatory and other approvals, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default, negligence or failure to diligently pursue such approvals on the part of the Acquirers/PAC, as per Regulation 22(12) of the SEBI (SAST) Regulations, grant an extension for completion of the Offer, subject to the Acquirers agreeing to pay interest to the Public Equity Shareholders for delay beyond 15 days, as may be specified by SEBI from time to time. On filing of the DLOF in 2011, SEBI had directed that the offer price of this Open Offer be revised on account of certain allotments made on April 26, 2006 and April 11, 2007 to Shri Akshay S Pitti, which according to SEBI had triggered an obligation to make an open offer under Regulation 10 of the SEBI (SAST) Regulations. The Hon'ble Securities Appellant Tribunal by its order dated October 31, 2013 set aside the direction issued by SEBI. SEBI filed an appeal against the order issued by the Hon'ble Securities Appellant Tribunal to the Hon'ble Supreme Court of India. The Hon'ble Supreme Court of India vide its order dated July 11, 2022, dismissed the appeal and held that Regulation 10 of the SEBI (SAST) Regulations does not apply when the acquirer along with persons acting in concert already hold more than 15% of the shares or voting rights in the Target Company.
- Public Equity Shareholders should note that after the last date for withdrawal of acceptances under the Offer i.e. October 07, 2022, they will not have the option to withdraw from the Offer even if the acceptance of Equity Shares under the Offer and dispatch of consideration gets delayed.
- The Equity Shares tendered in the Offer in demat form will lie to the credit of a designated Escrow Account and the Equity Shares tendered in physical form will be held in trust by the Registrar to the Offer, till the completion of the Offer formalities, and the Public Equity Shareholders will not be able to either withdraw or trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares. Accordingly, the Acquirers/PAC make no assurance with respect to the market price of the Equity Shares both during the Offer Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Public Equity Shareholder on whether to participate or not in the Offer.
- The Acquirers, the PAC and the Manager to the Offer, accept no responsibility for statements made otherwise than in the PA/Public Notice/Corrigendum to the PA or the LOF, the advertisement and any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and anyone placing reliance on any other source of information would be doing so at his/her/their own risk.
- In the event of oversubscription in the Offer, the acceptance of the Equity Shares tendered will be on a proportionate basis in consultation with the Manager to the Offer in terms of Regulation 21(6) of SEBI (SAST) Regulations in such manner that the acquisition from any Public Equity Shareholders shall not be less than the minimum marketable lot i.e. one Equity Share. Hence, there is no certainty that all Equity Shares tendered by the Public Equity Shareholders in the Offer will be accepted, in the event there is oversubscription of the Offer.
- There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.

B. Risk factors relating to the Offer

- This Offer is subject to completion risks as would be applicable to other offers of similar nature.
- There may be instances of financial contracts to which the Target Company is a party, which may contain clauses that may allow the counterparty to injunct/terminate this Offer.

C. Risk factors relating to the Acquirers/PAC

- The Acquirers makes no assurance with respect to the market price of the Equity Shares both during the Offer Period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.
- Association of Acquirers/PAC with the Target Company does not warrant any assurance with respect to the future financial performance of the Target Company.
- Post this Offer, the Acquirers along with the PAC will have significant equity ownership of the Target Company, and will have the ability to influence the outcome of Board and shareholder resolutions of the Target Company.
- The Acquirers and the PAC also make no assurances with respect to their investment decisions for the Target Company.

Please refer to the section on 'Key Definitions' for the definition of the capitalized terms used in this LOF.

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KEY DEFINITIONS

Acquirers	Smt. Madhuri S Pitti and Pitti Electrical Equipment Private Limited
Bank Guarantee	An unconditional, irrevocable and on demand bank guarantee of ₹3,00,00,000/- (Rupees Three Crores only) dated September 08, 2011 valid up to and including March 25, 2012 has been extended up to May 20, 2023 issued by Indian Overseas Bank, Adarshnagar Branch, Hyderabad having its Head Office at 763, Anna Salai, Chennai – 600002 under Regulation 28 of SEBI (SAST) Regulations
Board / Board of Directors	The Board of Directors of the Target Company
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
Companies Act, 1956	The Companies Act, 1956 (without reference to the provisions thereof that have been ceased to have effect upon being superseded by the Companies Act, 2013 or de-notified)
Companies Act, 2013	The Companies Act, 2013, to the extent notified, and the rules and regulations made thereunder
Corrigendum to Public Announcement/PA	First Corrigendum to the PA dated January 24, 2014 and Second Corrigendum to the PA dated September 16, 2022 on behalf of Acquirers and PAC to the Public Equity Shareholders
Cash Deposit	An amount of ₹12,00,000/- (Rupees Twelve Lakhs only) deposited in the Escrow Account by the Acquirer in excess of the requisition under Regulation 28(10) of the SEBI (SAST) Regulations. In addition, the Acquirers have deposited an amount of ₹5,80,00,000/- (Rupees Five Crores and Eighty Lakhs Only) being 10% of the consideration payable upon revision, in terms of Regulation 28(9) of the SEBI (SAST) Regulations
Special Depository Account	Depository account opened by the Registrar of the Offer with National Securities Depository Limited (NSDL)
DP	Depository Participant
Depositories	Collectively NSDL and CDSL
DLOF	Draft Letter of Offer
DOA	Date of Appointment
Equity Shares	Equity shares of the face value of ₹10/- each of the Target Company. However, w.e.f. April 17, 2015, the face value of Equity Shares has been sub-divided from ₹10/- to ₹5/- each
Escrow Account	An escrow account under the name and title “PEEL-PLL-OPEN OFFER ESCROW ACCOUNT” opened by the Acquirer with the Escrow Agent in terms of Regulation 28 of the SEBI (SAST) Regulations
Escrow Agent	HDFC Bank Ltd, Fort Branch “Maneckji Wadia Bldg., Nanik Motwani Marg Fort, Mumbai - 400 001”
Escrow Agreement	The Escrow Agreement dated September 08, 2011 executed between the Escrow Agent, the Acquirers and the Manager to the Offer
FEMA	The Foreign Exchange Management Act, 1999, as amended from time to time

FII(s)	Foreign Institutional Investors registered with SEBI
GTA	Goods Transport Agency
Form of Withdrawal (FOW)	Form of Withdrawal accompanying this Letter of Offer
Form of Acceptance (FOA)	Form of Acceptance-cum-Acknowledgement accompanying this Letter of Offer
LOF	Letter of Offer
Manager to the Offer	BOB Capital Markets Limited
Maximum Consideration	The maximum consideration payable under this Offer assuming full acceptance, is ₹57,69,01,260/- (Rupees Fifty Seven Crores Sixty Nine Lakhs One Thousand Two Hundred and Sixty only)
NRI(s)	Non Resident Indians
Non Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding equity shares of the Target Company
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
Offer/ Open Offer	<p>This open offer to acquire 64,10,014* fully paid up Equity Shares of face value per share of ₹5/- (Rupees Five only) of the Target Company at a share price of ₹90/-* (Rupees Ninety only) each from the Public Equity Shareholders of the Target Company</p> <p>* The capital of the Target Company is sub-divided from ₹10/- paid up to ₹5/- paid up w.e.f. April 17, 2015. Consequently, the issued and paid-up capital of the Target Company changed from 1,34,91,700 Equity Shares of ₹10/- each to 2,69,83,400 Equity Shares of ₹5/- each. Subsequently, the Company allotted 28,44,445 Equity Shares and 22,22,222 Equity Shares on February 14, 2018 and June 24, 2019 respectively. The issued and paid-up capital of the Target Company is 3,20,50,067 Equity Shares. Pursuant to the SEBI Letter dated September 9, 2022, SEBI has directed the Acquirers to revise the Offer Price to ₹90/- as the final price payable to the Public Equity Shareholders. The Acquirers have therefore decided to accept the revised Offer Price of ₹90/- per Equity Share and have decided to proceed with SEBI's directions on the basis that there will be no further revisions to the Offer Price of ₹90/- per Equity Share. The Offer Price shall be revised if required as per applicable law for any subsequent acquisition of Equity Shares by the Acquirers and the PAC during this offer period. In accordance with SEBI direction, the Offer Size has been increased to 64,10,014 Equity Shares. Therefore, all the figures / amounts in this Letter of Offer with respect to Offer Shares and Offer Price has been modified accordingly.</p>
Offer Closing Date	Wednesday, October 12, 2022
Offer Period	20 day period from the date of the opening of the Offer on September 23, 2022 to the closing of the Offer on October 12, 2022 (both days inclusive)
Offer Price	₹90/- per fully paid up Equity Share
Offer Shares	64,10,014 fully paid up Equity Shares of the Target Company constituting 20% of the Voting Capital of the Target Company as on date of LOF
PEEL	Pitti Electrical Equipment Private Limited
Persons Acting in Concert/ PAC	Shri Sharad B Pitti and Shri Akshay S Pitti
Present Voting Capital/ Voting Capital	The total paid up equity and voting share capital of the Target Company is ₹16,02,50,335 consisting of 3,20,50,067 Equity Shares of ₹5/- each
Preferential Issue/ Preferential Allotment	Issue of 40,50,000 Equity Shares of ₹10/- each of the Target Company issued and allotted on a preferential basis to the Acquirers on September 07, 2011, in compliance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI (ICDR) Regulations")
Preferential Issue/ Preferential Allotment 2018	Issue of 28,44,445 Equity Shares of ₹5/- each of the Target Company issued and allotted on a preferential basis to PEEL, Shri Sharad B Pitti and Shri Akshay S Pitti on February 14, 2018, in compliance with Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Preferential Issue/ Preferential Allotment 2019	Conversion of share warrants into 22,22,222 Equity Shares of ₹5/- each of the Target Company issued and allotted on a preferential basis to PEEL and Shri Akshay S Pitti on June 24, 2019, in compliance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

Promoter Group of the Target Company/Promoter Group	Shri Sharad B Pitti, Smt. Madhuri S Pitti, Shri Akshay S Pitti, Sharad B Pitti (HUF), and Pitti Electrical Equipment Private Limited
Public Announcement/ PA	Public announcement of this Offer made on behalf of the Acquirers and PAC to the Public Equity Shareholders, which appeared on September 09, 2011, in all editions of Financial Express, Jansatta, and Nava Telangana (formerly Prajasakthi), Telugu
Public Equity Shareholder(s)	Equity shareholders other than Promoter Group of the Target Company
Public Notice	Notice dated December 26, 2012 made on behalf of Acquirers and PAC to the Public Equity Shareholders
RBI	Reserve Bank of India
Registrar or Registrar to the Offer	Bigshare Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI (LODR) Regulations	Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI (ICDR) Regulations, 2018	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Specified Date	September 09, 2022 being the date for the purpose of identifying shareholders of the Target Company to whom the Letter of Offer will be sent
Stock Exchanges	BSE and NSE collectively
Target Company/Company/ Pitti Engineering	Pitti Engineering Limited (formerly Pitti Laminations Limited)

Note: All terms beginning with a capital letter used in this LOF, but not otherwise defined herein, shall have the meanings ascribed thereto in this LOF and the SEBI (SAST) Regulations.

CURRENCY OF PRESENTATION

- In this LOF, all references to “₹”/ “Rs” “Rupees” / “Rupee” / “”” is to the Indian Rupees.
- “Numerical Conversion: One Crore (100,00,000) = Hundred lakhs/lacs (100,00,000)
- In this LOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC EQUITY SHAREHOLDERS OF PITTI ENGINEERING LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PAC OR OF PITTI ENGINEERING LIMITED (FORMERLY PITTI LAMINATIONS LIMITED) WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, BOB CAPITAL MARKETS LIMITED, THE MANAGER TO THE OFFER, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 19, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS AND SUBSEQUENT AMENDMENTS THERETO. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of The Offer

- 2.1.1 This Offer (“Open Offer”) is being made by Smt. Madhuri S Pitti, one of the member of Promoter Group of the Target Company residing at 6-3-648, Moti Bhavan, Somajiguda, Hyderabad–500082 and Pitti Electrical Equipment Private Limited, a part of the Promoter Group of the Target Company, incorporated and registered in India, having its registered office at 6-3-648/2, Somajiguda, Rajbhavan Road, Hyderabad–500082, being the Acquirers within the meaning of Regulation 2(1)(b) of the SEBI(SAST) Regulations, along with the PAC Shri Sharad B Pitti and Shri Akshay S Pitti, to the Public Equity Shareholders of the Target Company pursuant to and in compliance with Regulation 11(1) and other applicable provisions of SEBI(SAST) Regulations. This Offer is made by the Acquirers along with PAC to the Public Equity Shareholders (other than the Promoter Group) of the Target Company pursuant to Preferential Allotment of 40,50,000 Equity Shares of ₹10/- each of Pitti Engineering. In terms of Regulation 2(1) (e) (1) of the SEBI (SAST) Regulations, Shri Sharad B Pitti and Shri Akshay S Pitti who are the promoters of the Target Company, are Persons acting in Concert along with the Acquirers for the purpose of this Offer.
- 2.1.2 Smt. Madhuri S Pitti (“the Acquirer”), is one of the member of the Promoter Group of the Target Company as per filing made by the Target Company to the Stock Exchanges and was holding 2,21,100 Equity Shares of ₹10/- each constituting 2.34% of the paid up equity capital and voting rights of the Target Company and the other Acquirer i.e. PEEL, one of the member of the Promoter Group did not hold any equity shares of the Target Company before the Preferential Allotment. PAC consisting of Shri Sharad B Pitti and Shri Akshay S Pitti together held 37,16,880 Equity Shares of ₹10/- each constituting 39.36% of the paid up equity capital and voting rights of the Target Company before the Preferential Allotment. The Directors of PEEL as on date of this LOF are Shri Sharad B Pitti and Shri Akshay S Pitti, Shri Sharad B Pitti and Shri Akshay S Pitti are also the promoter directors of the Target Company.
- 2.1.3 The Board of Directors of the Target Company (“Board”) at its meeting held on September 07, 2011 issued and allotted 40,50,000 Equity Shares of the face value of ₹10/- each fully paid up at a price of ₹39.15/- per equity share (including premium of ₹29.15/- per equity share) on a preferential basis to Smt. Madhuri S Pitti and PEEL. The Equity Shares issued under Preferential Issue were subject to “lock-in” as per the SEBI (ICDR) Regulations. The Target Company has received “in principle” approvals from the NSE vide their letter no. NSE/LIST/142083-M dated August 09, 2011 and BSE vide their letter no. DCS/PREF/SI/PRE/439/2011-12 dated September 05, 2011 for the aforesaid Preferential Issue. The Company received trading approvals from the NSE on April 16, 2012 and from BSE on January 17, 2017.
- 2.1.4 The paid up equity and voting share capital of the Target Company prior to the Preferential Issue was ₹9,44,17,000/- consisting of 94,41,700 Equity shares of ₹10/- each (“Pre-Preferential Capital”). Post Preferential Issue, the total paid up equity and voting share capital of the Target Company was ₹13,49,17,000/- consisting of 1,34,91,700 Equity Shares of ₹10/- each. During the financial year, 2014-15, the Company vide shareholder’s approval dated March 16, 2015 has approved sub-division of 1(One) Equity Share of face value of ₹10/- each into 2 (Two) Equity Shares of ₹5/- each. The record date for the sub-division of Equity Shares was April 17, 2015. Subsequently, the Target Company allotted on preferential basis 28,44,445 Equity Shares and 22,22,222 Equity Shares at ₹90/- each on February 14, 2018 and June 24, 2019, respectively. The issued and paid-up capital of the Target Company is 3,20,50,067 Equity Shares of ₹5/- each (Present Voting Capital). There are no partly paid up equity shares in the Target Company.

- 2.1.5 Out of the Present Voting Capital, Acquirers along with PAC hold in aggregate 1,89,83,627 equity shares of ₹5/- each representing 59.23% in the Target Company, the details of which are as follows:

Particulars	Pre-Preferential Issue (Pre-subdivision)		Preferential Issue (Pre-subdivision)		Post- Preferential Issue (Post subdivision)		As on this LOF	
	Equity Shares of face value ₹10/-	% of total shareholding	Equity Shares of face value ₹10/-	% of Post -Preferential Allotment Capital	Equity Shares of face value ₹5/-	% of Post -Preferential Allotment Capital	Equity Shares of face value ₹5/-	% of total shareholding
Smt. Madhuri S Pitti	2,21,100	2.34	5,60,000	4.15	15,62,200	5.79	17,58,620	5.49
Pitti Electrical Equipment Pvt. Ltd.	NIL	NIL	34,90,000	25.87	69,80,000	25.87	86,46,667	26.98
Shri Sharad B Pitti	21,37,780	22.64	NIL	NIL	42,75,560	15.85	43,49,926	13.57
Shri Akshay S Pitti	15,79,100	16.72	NIL	NIL	31,58,200	11.70	42,28,414	13.19
TOTAL	39,37,980	41.70	40,50,000	30.02	1,59,75,960	59.21	1,89,83,627	59.23

The Promoter Group of Pitti Engineering and their holding as on the date of Public Announcement and date of this Letter of Offer

Name of the Promoter	As on date of Public Announcement (face value of ₹10/-)		As on date of Letter of Offer (face value of ₹5/-)	
	Number of shares	Shares as a percentage of total paid up capital	Number of shares	Shares as a percentage of total paid up capital
Shri Sharad B Pitti	21,37,780	15.85	43,49,926	13.57
Shri Akshay S Pitti	15,79,100	11.70	42,28,414	13.19
Smt. Madhuri S Pitti*	7,81,100	5.79	17,58,620	5.49
Smt. Shanti B Pitti*	98,210	0.73	-	-
Sharad B Pitti (HUF)	8,500	0.06	17,000	0.05
PEEL	34,90,000	25.87	86,46,667	26.98
Total	80,94,690	60.00	1,90,00,627	59.28

*Due to the demise of Smt. Shanti B Pitti one of the promoters on February 21, 2015, equity shares held by her have been transmitted on August 12, 2016 to Smt. Madhuri S Pitti.

- 2.1.6 This Offer is being made by the Acquirers along with PAC pursuant to the Preferential Allotment of 40,50,000 Equity Shares of ₹10/- each of Target Company. The shareholding of Acquirers i.e Smt. Madhuri S Pitti and PEEL, pursuant to the Preferential Allotment, increased from 2.34% to 5.79% and from NIL to 25.87% respectively. The Shareholding of Shri Sharad B Pitti and Shri Akshay S Pitti decreased from 22.64% to 15.85% and from 16.72% to 11.70% respectively after the Preferential Allotment. The total shareholding of Acquirers along with PAC increased from 41.70% to 59.21% after the Preferential Allotment.
- 2.1.7 This Offer is being made by the Acquirers along with PAC to the Public Equity Shareholders (other than the Promoter Group) of the Target Company to acquire up to 64,10,014 fully paid-up Equity Shares of face value of ₹5/- each of the Target Company representing 20% of the paid up equity capital and voting capital of the Target Company. This Offer is being made pursuant to and in compliance with Regulation 11(1) and Regulation 20(7) of the SEBI (SAST) Regulations at a price of ₹90/- per fully paid up equity share payable in cash in terms of Regulations 20 and 21 of the SEBI (SAST) Regulations.

- 2.1.8 The Acquirers have acquired only 40,50,000 Equity Shares of ₹10/- of the Target Company during the twelve months preceding the date of the Public Announcement and DLOF at the Price of ₹39.15/- per equity share of ₹10/- each through the Preferential Issue . PAC have not acquired any Equity Shares during the twelve months preceding the date of the Public Announcement. Further, the Acquirers and PAC have acquired Equity Shares from the date of Public Announcement upto the date of this LOF as follows:

Name of Acquirer/PAC	Date of Allotment /Transmission	No of Equity Shares	Acquisition Price (in ₹)	Remarks
Smt. Madhuri S Pitti	August 12, 2016	1,96,420	-	Due to the demise of Smt. Shanti B Pitti one of the promoters on February 21, 2015, equity shares held by her have been transmitted on August 12, 2016 to Smt. Madhuri S Pitti
Pitti Electrical Equipment Pvt. Ltd	February 14, 2018	5,55,556	90	Preferential allotment of equity shares
	June 24, 2019	11,11,111	90	Preferential allotment - Conversion of warrants to Equity shares
Shri Sharad B Pitti	February 14, 2018	12,88,889	90	Preferential allotment of equity shares
	September 14, 2020	4,29,620	-	Return of unsold invoked shares
Shri Akshay S Pitti	February 14, 2018	10,00,000	90	Preferential allotment of equity shares
	June 24, 2019	11,11,111	90	Preferential allotment - Conversion of warrants to Equity shares
	September 14, 2020	3,68,203	-	Return of unsold invoked shares

- 2.1.9 This Offer is being made to all the Public Equity Shareholders (other than the Promoter Group) of the Target Company and is not conditional on any minimum level of acceptance by the shareholders of the Target Company.
- 2.1.10 The Acquirers/the PAC/their promoters and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations under the SEBI Act, 1992.
- 2.1.11 The Equity Shares of the Target Company are listed at the BSE and the NSE.
- 2.1.12 The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of the PA and has not acquired any Equity Shares of the Target Company since the date of the PA. It declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the Offer Closing Date.
- 2.1.13 SAT and Supreme Court

The Manager to the Offer had filed the Draft Letter of Offer with SEBI vide its letter dated September 19, 2011. SEBI vide letter dated December 17, 2012 conveyed its observations on the Draft letter of Offer whereby SEBI directed that the offer price of this Open Offer be revised (“**SEBI Direction**”) on account of certain allotments made on April 26, 2006 and April 11, 2007 (“**Alleged Triggers**”) to Shri Akshay S Pitti, which according to SEBI had triggered an obligation to make an open offer under Regulation 10 of the SEBI (SAST) Regulations at that time.

Being aggrieved by the SEBI Direction, the Acquirer filed an appeal before the Hon’ble Securities Appellant Tribunal (“**SAT**”). The SAT by its order dated October 31, 2013 set aside the SEBI Direction (“**SAT Order**”).

Being aggrieved by the SAT Order, SEBI filed a civil appeal No. 8249 of 2013 before the Hon’ble Supreme Court of India (“**SC**”). The SC vide order dated July 11, 2022 dismissed the appeal filed by SEBI and upheld the SAT Order. The key legal issue before the SC was whether an acquisition of shares / voting rights by Shri Akshay S Pitti triggered an obligation to make an open offer when the aggregate holding of Shri Akshay S Pitti along with persons acting in concert was already above the triggering threshold of under Regulation 10 of the SEBI (SAST) Regulations.

The SC held that Regulation 10 of the SEBI (SAST) Regulations does not apply when the acquirer along with the persons acting in concert already holds more than 15% of the shares or voting rights in the target company. The SC also clarified that Regulation 3(3) of the SEBI (SAST) Regulations, 2011 which prescribes that in the event the individual shareholding of a person exceeds the stipulated thresholds, it shall also attract the obligation to make an open offer irrespective of whether there is a change in the aggregate shareholding with persons acting in concert, does not apply retrospectively.

2.1.14 The Acquirer i.e. PEEL and the PAC i.e. Shri Sharad B Pitti and Shri Akshay S Pitti have acquired Equity shares on preferential basis at ₹90/- as detailed in para 2.1.8. Pursuant to the SEBI Letter dated September 9, 2022, SEBI has directed the Acquirers to revise the Offer Price to ₹90/- as the final price payable to the Public Equity Shareholders. The Acquirers have therefore decided to accept the revised Offer Price of ₹90/- per Equity Share and have decided to proceed with SEBI's directions on the basis that there will be no further revisions to the Offer Price of ₹90/- per Equity Share. The Offer Price shall be revised if required as per applicable law for any subsequent acquisition of Equity Shares by the Acquirers and the PAC during this offer period. In accordance with SEBI direction, the Offer Size has been increased to 64,10,014 Equity Shares. Therefore, all the figures / amounts in this Letter of Offer with respect to Offer Shares and Offer Price has been modified accordingly.

2.2 Details of the Offer

2.2.1 The PA announcing the Offer, Public Notice and Corrigendum to PA was published on September 9, 2011, December 27, 2012, January 25, 2014. The Second Corrigendum to PA was published on September 17, 2022 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Nava Telangana (formerly Prajashakti)	Telugu	Hyderabad
Navshakti	Marathi	Mumbai

2.2.2 A copy of the PA, Public Notice and Corrigendum to PA are available on SEBI's website (<http://www.sebi.gov.in>).

2.2.3 In compliance with the obligations under Regulations 11(1), Regulation 20(7) and 21(5) of the SEBI (SAST) Regulations, the Acquirers and the PAC are making this Offer to acquire 64,10,014 Equity Shares of ₹5/- at ₹90/- per Equity Share, aggregating to ₹57,69,01,260/- payable in cash which represents 20% of the voting capital.

2.2.4 As of date of the PA and this LOF, there are no partly paid up shares in the Target Company. The Voting Capital in the Target Company, as of the date of the LOF, is 3,20,50,067 Equity Shares ("Voting Capital").

2.2.5 As of the date of the PA and this LOF, the Target Company had 8,300 forfeited Equity Shares of ₹10/- each pending for reissue which have been excluded in calculating 20% of the Voting Capital to constitute the Offer within the meaning of Regulation 21(5) of the SEBI (SAST) Regulations. The Target Company has confirmed that there are no plans to reissue the forfeited Equity Shares which have been kept in abeyance till the expiry of 3 months after the closure of the Open Offer.

2.2.6 Any decision for an upward revision in the Offer Price by the Acquirers and PAC before the last date of revision (i.e. October, 03, 2022), or any decision for withdrawal of the Offer, would be communicated by way of a revised public announcement in the same newspapers in which the PA appeared.

2.2.7 In case of an upward revision in the Offer Price, the Acquirers will pay such revised price for all the Equity Shares validly tendered any time during the Offer and accepted under the Offer. The acquisition of validly tendered Equity Shares by the Acquirers, under this Offer will take place on or before October 26, 2022, in accordance with the schedule of major activities as set out on page 02 of this LOF.

2.2.8 The Equity Shares of the Target Company tendered by the Public Equity Shareholders under the Offer shall not be the subject matter of litigation and shall be free from all liens, charges and encumbrances. Locked-in shares shall be accepted subject to the continuation of the residual lock-in period in the hands of the Acquirers. Applications in respect of Equity Shares that are the subject matter of litigation wherein the Shareholders are enjoined from transferring the Equity Shares during the pendency of such litigation are liable to be rejected if the directions / orders permitting transfer of these Equity Shares are not received together with the Equity Shares tendered under the Offer. The Acquirers will acquire the Equity Shares together with all rights attached thereto, including the rights to all dividends, bonuses and rights subsequently declared. The tender by any Public Equity Shareholder of any Equity Share in the Offer must be absolute, unconditional and unqualified.

2.2.9 The Acquirers will acquire 64,10,014 (Sixty Four Lakhs Ten Thousand and Fourteen) Equity Shares of the Target Company that are validly tendered as per the terms of the Offer. Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirer along with the PAC will hold at least 2,53,93,641 Equity Shares of the Target Company representing 79.23% of the fully paid up Voting Capital of the Target Company. The aggregate holdings of the Promoter group will increase to 2,54,10,641 Equity Shares representing 79.28% (post offer) of the Voting Capital of the Target Company. During the Offer Period, the Acquirers and the PAC may, subject to Regulation 21(2) of the SEBI (SAST) Regulations, purchase additional Equity Shares of the Target Company in accordance with the SEBI (SAST) Regulations and in such event, such purchase shall be disclosed to the Stock Exchanges and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. The Acquirers have acquired the following equity shares from the date of PA up to the date of this LOF.

Name of Acquirer/ PAC	Date of Allotment /Transmission	No of Equity Shares	Acquisition Price (in ₹)	Remarks
Smt. Madhuri S Pitti	August 12, 2016	1,96,420	-	Due to the demise of Smt. Shanti B Pitti one of the promoters on February 21, 2015, equity shares held by her have been transmitted on August 12, 2016 to Smt. Madhuri S Pitti
Pitti Electrical Equip- ment Pvt. Ltd	February 14, 2018	5,55,556	90	Preferential allotment of equity shares
	June 24, 2019	11,11,111	90	Preferential allotment - Conversion of war- rants to Equity shares

2.2.10 In case the number of Equity Shares received in the Offer exceeds the Offer Size, the acceptance will be made on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots. Provided that acquisition of Equity Shares from a shareholder shall not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot.

2.2.11 There has been change in the constitution of the Board of Directors of the Target Company from the date of PA up to the filing of the LOF , following are the changes in Board of Directors between the date of PA and this LOF:

Name of the Director	Appointed	Ceased
Shri GVS N Kumar	November 4, 2013	March 2, 2016
Shri Sanjay Srivastava	-	May 3, 2014
Ms Gayathri Ramachandran	September 22, 2014	-
Shri Kanti Kumar R Podar	-	November 3, 2014
Shri Arun Garodia	-	March 30, 2015
Shri S.Thiagrajan	April 24, 2015	-
Shri G Narayana Rao	-	August 10, 2015
Shri T S S N Murthy	-	January 27, 2015
Shri Y. B. Sahgal	-	October 1, 2016
Shri D V Aditya	August 10, 2022	

2.2.12 This Offer will not result in change of control of the Target Company.

2.2.13 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

2.2.14 There is no agreement between the Acquirers, the PAC and any other person/entity, in connection with this Offer. The entire equity shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other person/ entity propose to participate in the acquisition. Due to the operation of Regulation 2(1)(e)(1) and Regulation 2(1)(e)(2) of the SEBI (SAST) Regulations, there could be persons who could be deemed to be acting in concert with the Acquirer. However, except Shri Sharad B Pitti and Shri Akshay S Pitti, no such other persons are acting in concert for the purposes of this Offer.

2.3 Objects of the Offer and future plans

2.3.1 This Offer is being made pursuant to and in compliance with Regulation 11(1) of the SEBI (SAST) Regulations and other provision of Chapter III of the SEBI (SAST) Regulations.

2.3.2 The Offer is being made pursuant to Preferential Allotment of 40,50,000 Equity Shares of ₹10/- each to the Acquirers and this has resulted in substantial acquisition of Equity Shares in the Target Company in terms of the SEBI (SAST) Regulations. The shareholding of Acquirers i.e Smt. Madhuri S Pitti and PEEL, pursuant to this Preferential Allotment, increased from 2.34% to 5.79% and NIL to 25.87% respectively. Further, the shareholding of Acquirers along with PAC has increased from 41.71% to 59.21%. Hence, this Open Offer is being made in compliance with Regulation 11(1) read with other applicable provisions of the SEBI (SAST) Regulations as it has resulted in substantial acquisition of shares or voting rights resulting in consolidation of holdings of the Promoter and Promoter Group without effecting any change in control or management of the Target Company.

2.3.3 The Acquirers along with PAC are interested in strengthening the equity base, net worth and other financial parameters of the Target Company to enable the latter to source its growth plans. The intent of one of the Acquirers i.e. PEEL was to explore the possibility of entering into manufacturing and trading activity at an appropriate time so as to bring about synergy in operations between PEEL and Pitti Engineering

- 2.3.4 The Acquirers and PAC undertake not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

3. BACKGROUND OF THE ACQUIRERS AND THE PAC

This Offer is being made by the Acquirers Smt. Madhuri S Pitti and Pitti Electrical Equipment Private Limited along with PAC Shri Sharad B Pitti and Shri Akshay S Pitti, to the Public Equity Shareholders of Pitti Engineering Limited.

3.1 The Acquirers

3.1.1 Smt. Madhuri S Pitti - Acquirer

- a. Smt. Madhuri S Pitti is the Acquirer in terms of Regulation 2(1)(b) of SEBI (SAST) Regulations in this Offer.
- b. Smt. Madhuri S Pitti aged 63 years, residing at 6-3-648, Moti Bhavan, Somajiguda, Hyderabad-500082, India and having Permanent Account Number AFNPP6962L, is an entrepreneur. The contact number is +91-40-2331 0101.
- c. Smt. Madhuri S Pitti joined Soundarya Boutique, a family run partnership business dealing in fancy items like artificial jewellery's, fashion apparels, gift articles, etc. as a partner in 1982. The firm has since been dissolved after the demise of Smt. Shanti B Pitti. Currently, Smt. Madhuri S Pitti is a partner of M/s Pitti Designs a boutique design and print studio based in Hyderabad. She has over the years acquired rich experience of over 35 years in running trading activities. In the year 2004, she was inducted as managing partner in Hyderabad Laminations and Stampings, a partnership firm manufacturing electrical laminations used in all electrical motors, pumps, etc.
- d. Smt. Madhuri S Pitti was actively involved in the said business since her induction and managed the day to day affairs of the said firm. She has extensively travelled in India and abroad on business and also participated in various national as well as international exhibitions relating to firm's business. Hyderabad Laminations and Stampings has been running successfully and the firm has been making profits after she had assumed its management. Hyderabad Laminations and Stampings was converted into a private limited company and was named as Pitti Components Private Limited with effect from July 21, 2011 which was later converted into Pitti Components Limited on December 9, 2011. She resigned from the directorship of Pitti Components Limited and Vaksh Steels Private Limited on September 29, 2016 and August 12, 2012, respectively. She has been inducted on the Board of Pitti Components Limited as Director on February 25, 2022.
- e. Smt. Madhuri S Pitti, is one of the member of the Promoter Group of the Target Company as per filing made by the Target Company to the Stock Exchanges and was holding 2,21,100 Equity Shares of ₹10/- each constituting 2.34% of the paid up equity capital and voting rights of the Target Company before the Preferential Allotment. Pursuant to the Preferential Allotment, the shareholding of Smt. Madhuri S Pitti increased from 2.34% to 5.79% of the paid up equity capital and voting capital of the Target Company as on the date of the PA and has not acquired any equity shares from the date of PA till the date of this LOF except transmission of 1,96,420 Equity Shares of ₹5/- each from Smt. Shanti B Pitti, one of the member of promoter on August 12, 2016. Resultantly, post-split and transmission of Equity Shares, shareholding of Smt. Madhuri S Pitti has increased to 17,58,620 Equity Shares of ₹5/- each.
- f. As on date of this LOF, Smt. Madhuri S Pitti is a member of Promoter Group of the Target Company and the Offer will lead to further consolidation in her holdings in the Target Company.
- g. Smt. Madhuri S Pitti has confirmed that as on date of the PA and this LOF, there is no litigation against her nor is she named as a party to any litigation which will have an adverse impact on the transaction.
- h. Smt. Madhuri S Pitti does not hold any position on the board of directors of other listed companies and is a non-executive director on the board of Pitti Components Limited.
- i. The Equity built up of the Acquirer in the Target Company from 1997 is as follows:

Year	Mode of Allotment	Shares purchased/Sold		Cumulative Shareholding		Voting Capital (Nos)	Status of compliance with SEBI(SAST) Regulations, 1997 / SEBI (SAST) Regulations 2011 by Acquirer/ Target Company	
		No of Shares	% of Share & Voting Capital	No of Shares	% of Share & Voting Capital			
FY1998				87,700	2.78%	31,50,000	Complied with	
FY2004	Oct-03	Preferential Issue	5,00,000	8.00%	5,87,700	9.40%	62,50,000	NA
	Dec-03	Purchase	35,000	0.56%	6,22,700	9.96%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2005	Dec-04	Purchase from IDBI	1,00,000	1.60%	7,22,700	11.56%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
	Jan-05	Sold	1,600	0.03%	7,21,100	11.54%	62,50,000	
FY2006	May-05	Sold	5,00,000	8.00%	2,21,100	3.54%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2012	Sep-11	Preferential Issue	5,60,000	4.15%	7,81,100	5.79%	1,34,91,700	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2016	Apr-15	Sub-division of equity shares from face value of ₹10/- to face value of ₹5/-	15,62,200	5.79%	15,62,200	5.79%	2,69,83,400	N.A
FY2017	Aug-16	Transmission of equity shares from Smt. Shanti B Pitti	1,96,420	0.73%	17,58,620	6.52%	2,69,83,400	N.A

- j. The Acquirer has complied with the applicable reporting requirements under Regulations 6(3) and 8(2) of the SEBI (SAST) Regulations and under Regulation 30(1) and 30(2) of SEBI (SAST) Regulations, 2011 within the stipulated time specified therein.
- k. M/s Dattatray Babu & Associates, Chartered Accountants (signed by Mr.Dattatray Partner, Membership No. 023359) and having office at #3-4-526/1/1, 1st Floor, Barkatpura, Hyderabad- 500027 have certified that the net worth as on September 14, 2022 of Smt. Madhuri S Pitti is ₹35,000.88 lakhs (Rupees Thirty Five Thousand Lakhs Eighty Eight Thousand only).

3.1.2 Pitti Electrical Equipment Private Limited - Acquirer (PEEL)

- a. PEEL was incorporated on April 03, 1995 as Pitti Electrical Equipment Limited, an unlisted public company and obtained certificate of commencement of business on May 24, 1995 under the Companies Act 1956. Later, it was converted into private limited company with effect from April 01, 2009. Its Corporate Identity Number is U31909TG1995PTC019901. The registered office of PEEL is situated at 6-3-648/2, Somajiguda, Rajbhavan Road, Hyderabad-500082. The contact number is +91-40-2331 2770 and Fax No: +91-40-2339 3985.
- b. PEEL was incorporated for manufacture of electrical laminations and stampings and all other allied products. However, due to recessionary conditions in the economy in general and that of electrical and engineering industries in particular, it was decided not to undertake any manufacturing activity. In 2009, the Company was converted into a private limited company and it has been carrying out the trading activities in steel sheets and plates since 2009-10. Currently, PEEL has one subsidiary company i.e. Pitti Casting Private Limited which is engaged in the business of manufacture of high quality casting in iron and steel.
- c. Promoter directors of PEEL are Shri Sharad B Pitti and Shri Akshay S Pitti and hence PEEL is a part of Promoter Group of the Target Company.
- d. PEEL being a private limited company, its equity shares are not listed on any stock exchange.

- e. The authorized share capital of PEEL is ₹25,00,00,000/- consisting of 1,16,00,000 category A Equity Shares of ₹10 each and 24,00,000 category B Equity Shares of ₹10/- each and 1,10,00,000 non-cumulative non-participating compulsory convertible preference shares of ₹10/- each.
- f. The issued, subscribed and paid up capital of PEEL is ₹11,77,50,190/- consisting of 1,03,00,019 category A Equity Shares of ₹10/- each and 14,75,000 category B Equity Shares of ₹10/- each .
- g. The present board of directors of PEEL comprises of Shri Sharad B Pitti and Shri Akshay S Pitti.
- h. Shareholding of PEEL as on date of PA is as follows:

Sr. No	Particulars	Category	No. of Equity Shares	Value (₹)
1	Promoters and Promoter Group	A	2,99,970	29,99,700
2	Others	B	4,05,043	40,50,430
	TOTAL		7,05,013	70,50,130

Note: Each Share under category "A" is of the face value of ₹10/- each and has 10 votes per share. Each Share under category "B" is of the face value of ₹10/- each and has 1 vote for every 20 shares or any part thereof has 1 vote.

- i. Shareholding of PEEL as on date of this Letter of Offer

Sr. No	Particulars	Category	No. of Equity Shares	Value (₹)
1	Promoters and Promoter Group	A	1,02,99,977	10,29,99,770
		B	10,00,000	1,00,00,000
2	Others	A	42	420
		B	4,75,000	47,50,000
	TOTAL		1,17,75,019	11,77,50,190

Note: Each Share under category "A" is of the face value of ₹10/- each and has 10 votes per share. Each Share under category "B" is of the face value of ₹10/- each and has 1 vote for every 20 shares or any part thereof has 1 vote.

- j. PEEL is a part of Promoter Group of the Target Company and did not hold any equity shares of the Target Company before the Preferential Allotment. The Board of Directors of the Target Company ("Board") at its meeting held on September 07, 2011 has issued and allotted 34,90,000 equity shares of the face value of ₹10/- each fully paid up at a price of ₹39.15/- per equity share (including premium of ₹29.15/- per equity share) on a preferential basis to PEEL. Pursuant to the Preferential Allotment, the shareholding of PEEL increased from NIL to 25.87% of the paid-up equity capital and voting rights of the Target Company as on the date of PA. Post the date of PA, Target Company has allotted 16,66,667 equity shares of ₹5/- each fully paid up to PEEL as under:

Date of Allotment	No of Equity Shares	Acquisition Price (in ₹)	Remarks
February 14, 2018	5,55,556	90	Preferential Allotment of Equity Shares
June 24, 2019	11,11,111	90	Preferential Allotment - Conversion of warrants to Equity shares

As on date of this LOF, PEEL holds 86,46,667 equity shares of the face value of ₹5/- each of the Target Company.

- k. The Acquirer is a promoter group company of the Target Company and the Offer will lead to further consolidation in the holdings of the promoter group in the Target Company.
- l. The Acquirer has confirmed that as on date of the PA and LOF, there is no litigation against it nor is it named as a party to any litigation which will have an adverse impact on the transaction.
- m. The Equity built up of the Acquirer in the Target Company is as follows:

Year		Mode of Allotment	Shares purchased/Sold		Cumulative Shareholding		Voting Capital (Nos)	Status of compliance with SEBI(SAST) Regulations, 1997/ SEBI (SAST) regulations 2011 by Acquirer/ Target Company
			No of Shares	% of Share & Voting Capital	No of Shares	% of Share & Voting Capital		
FY2012	Sep-11	Preferential Issue	34,90,000	25.87%	34,90,000	25.87%	1,34,91,700	Regulation 7(1), 7(1A) and 7(3) of the SEBI (SAST) Regulations complied with
FY2016	Apr-15	Sub-division of equity shares from face value of ₹10/- to face value of ₹5/-	69,80,000	25.87%	69,80,000	25.87%	2,69,83,400	NA
FY2018	Feb-18	Preferential Issue	5,55,556	1.86%	75,35,556	25.26%	2,98,27,845	Regulation 29 (2), 30(1) & 30 (2) of SEBI (SAST) Regulations 2011 complied with
FY2020	Jun-19	Preferential Issue - Conversion of warrants	11,11,111	3.47%	86,46,667	26.98%	3,20,50,067	Regulation 29(2), 30(1) & 30 (2) of SEBI (SAST) Regulations 2011 complied with

- n. The Acquirer has complied with the applicable reporting requirements under Regulations 7(1) and 7(1A) of the SEBI (SAST) Regulations and under Regulation 29 (2), 30(1) and Regulation 30(2) of SEBI (SAST) Regulations, 2011, as applicable within the stipulated time specified therein.
- o. As on the date of this LOF, the board of the Acquirer comprises of the following directors:

Sl. No	Name of the Director & Address	DIN	Age	Designation	DOA	Qualification	Other Directorship
1	Shri Sharad B Pitti 6-3-648, Moti Bhavan, Somajiguda, Hyderabad-500082	00078716	65	Director	06.03.1995	S.S.C.E	- Pitti Engineering Private Limited - Pitti Castings Private Limited - Pitti Components Limited - Pitti Rail and Engineering Components Limited - Pitti Holdings Private Limited - Pitti Trade and Investment Private Limited

Sl. No	Name of the Director & Address	DIN	Age	Designation	DOA	Qualification	Other Directorship
2	Shri Akshay S Pitti 6-3-648, Moti Bhavan, Somajiguda, Hyderabad-500082	00078760	36	Director	22.12.2003	B. Com	- Pitti Engineering Limited - Pitti Castings Private Limited - Pitti Rail and Engineering Components Limited - Pitti Components Limited - Pitti Holdings Private Limited - Pitti Trade and Investment Private Limited

- p. There has been change in the constitution of the board of directors of the Acquirer from the date of PA up to the filing of LOF. Following are the changes in Board of Directors between the date of PA and this LOF:

Sr. No	Name of the Director	Date of Appointment	Date of Cessation
1	Shri Rishi Agarwal	28-11-2011	31-12-2012
2	Shri D V Aditya	28-11-2011	02-11-2015
3	Shri Aasheesh Pittie	28-11-2011	31-03-2018
4	Shri Yogendra Bahadur Sahgal	01-06-2007	11-08-2021

- q. The common directors between the Acquirer and the Target Company are Shri Sharad B Pitti and Shri Akshay S Pitti.
- r. None of the directors of the Acquirer, have acquired any Equity Shares in the Target Company during the 12 months preceding the date of the PA.
- s. The financial year of the Acquirer is April to March of the following year.
- t. The key audited financials of the Acquirer for the financial years FY2011, FY2010 and FY2009 and audited financials for the period ended June 30, 2011, as on PA are given below. The financial results for the said period have been certified by Laxminiwas & Jain, Chartered Accountants (signed by Partner, B Ramesh Kumar Membership Number: 200304 of the Institute of Chartered Accountants of India):

Based on the audited financial statements for the financial years ended 2010-11, 2009-10, 2008-09 and for the period ended June 30, 2011, the financial information of PEEL, as on PA is as follows:

(₹ lakhs)

Profit & Loss Statement	For the period ended on June 30, 2011	For year ended March 31, 2011	For year ended March 31, 2010
Net sales	1240.48	448.15	368.61
Other Income	49.97	91.65	24.55
Total net sales and other income	1290.45	539.80	393.16
Total Expenditure	1198.02	449.53	368.71
Profit Before Depreciation and Amortization, Interest and Tax	92.43	90.26	24.45
Depreciation and amortization	0.001	NIL	NIL
Interest Expense	35.17	61.37	17.42
Profit Before Tax	57.25	28.89	7.03
Provision for Tax	17.69	10.65	2.18
Profit After Tax	39.56	18.24	4.85

Note: The Profit and Loss account for the financial year ended 2008-09 was not prepared as PEEL had not commenced commercial production.

(₹ lakhs)

Balance Sheet Statement	As on June 30, 2011	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
Sources of funds				
Paid up share capital	62.75	62.75	46.75	5.00
Share Application Money	NIL	NIL	320.00	360.00
Reserves and Surplus (excluding revaluation reserves)	683.67	644.11	321.87	(1.23)
Net worth	746.42	706.86	688.62	363.77
Secured loans	614.78	534.06	392.65	NIL
Unsecured loans	650.01	332.77	NIL	NIL
Other liabilities	NIL	NIL	NIL	NIL
Total	2011.21	1573.69	1081.27	363.77
Uses of funds				
Net fixed assets	6.85	6.74	5.05	5.05
Investments	NIL	NIL	NIL	NIL
Net current assets	2004.25	1566.78	1075.99	358.43
Other assets	NIL	NIL	NIL	NIL
Total miscellaneous expenditure not written off	0.11	0.17	0.23	.29
Total	2011.21	1573.69	1081.27	363.77

Other Financial Data

	For the period ended on June 30, 2011	For year ended March 31, 2011	For year ended March 31, 2010
Dividend	NIL	NIL	NIL
Earnings Per Share in ₹	6.30	2.91	1.04
Return on Net worth in %	5.30%	2.58	0.007
Book value per share ₹	118.95	112.65	147.29

Reasons for any fall/increase in total income and profit after tax in the past 3 years as on date of the PA

The Company has started trading activity during the year 2009-10, and recorded a turnover of ₹393.16 lakhs. The Company has posted a profit before tax PBT of ₹7.03 lakhs and profit after tax PAT of ₹4.85 lakhs for the financial year ended on March 31, 2010. The Company has witnessed good sales for its steel sheets and plates.

The company has achieved a sales turnover of ₹539.80 lakhs for the financial year ended March 31, 2011 as against previous year's turnover of ₹393.16 lakhs. This is due to increased sales of its steel sheets and plates. Due to the growth in volume of sales and better margins, the company has posted a profit before tax (PBT) of ₹28.89 lakhs as against the PBT of ₹7.03 lakhs in the previous fiscal year. The profit after tax PAT is ₹18.24 lakhs as against previous year's PAT of ₹4.85 lakhs.

The key audited financials of the PEEL on the consolidated basis for the last 3 financial years as on date of this LOF are given below. The financial results for the said period have been certified by Laxminiwas & Co., Chartered Accountants (signed by Shri Vijay Singh, Partner, Membership Number: 221671 of the Institute of Chartered Accountants of India),

(₹ lakhs)

Profit & Loss Statement	For year ended March 31, 2020	For year ended March 31, 2021	For the year ended on March 31, 2022
	Audited	Audited	Audited
Net sales	13,709.72	11,397.20	13,782.47
Other Income	358.18	824.30	133.30
Total net sales and other income	14,067.90	12,221.50	13,915.77
Operating Expenditure	12,756.31	10,675.38	13,008.47
Profit Before Depreciation and Amortization, Interest and Tax	1,311.59	1,546.12	907.30
Depreciation and amortization	674.06	778.15	715.87
Finance Cost	546.55	313.56	142.67
Profit Before Tax	90.98	454.42	48.76
Provision for Tax	43.95	79.11	158.40
Profit/Loss After Tax	47.03	375.31	(109.64)

Balance Sheet Statement	As on March 31, 2020	As on March 31, 2021	For the year ended on March 31, 2022
	Audited	Audited	Audited
Sources of funds			
Paid up share capital	1,177.50	1,177.50	1,177.50
Share Application Money	-	-	-
Reserves and Surplus (excluding revaluation reserves)	(1,813.74)	(1,694.71)	(123.37)
Net worth	(636.24)	(517.21)	1,054.13
Minority Interest	648.38	743.30	703.69
Secured loans	-	131.25	86.25
Unsecured loans	14,709.39	13,489.90	14,164.04
Other liabilities	58.97	104.65	120.16
Total	14,780.50	13,951.89	16,128.26
Uses of funds			
Net fixed assets	4,136.87	3,575.12	3,428.31
Investments	7,220.71	7,235.99	8,751.71
Net current assets	(1,223.45)	(1,814.64)	(84.95)
Other assets	4,646.37	4,955.42	4,033.19
Total miscellaneous expenditure not written off	-	-	-
Total	14,780.50	13,951.89	16,128.26

Other Financial Data	For year ended March 31, 2020 Audited	For the year ended on March 31, 2022 Audited	For the year ended on March 31, 2022 Audited
Dividend	-	-	-
Share in profit of associate	205.24	821.03	1,641.37
Minority share in profit and (loss)	(28.90)	(94.92)	39.61
Earnings Per Share in Rs	5.37	9.35	13.34
Return on Net worth (PAT/Networth)	(0.07)	(0.73)	(0.10)
Book value per share (Networth /No. of shares)	(5.40)	(4.39)	8.95

Source: Consolidated financial statements for the last 3 years

The consolidated financial statements for the financial year ended March 31, 2020 include the financial results of the subsidiaries Pitti Castings Private Limited and VRD Enterprises Private Limited and associate Pitti Engineering Limited. The consolidated financial statements for the financial year ended March 31, 2021 and March 31, 2022, include the financial results of the subsidiary Pitti Castings Private Limited and associate Pitti Engineering Limited.

Reason for fall/increase in total income and profit after tax in the past 3 years as on this LOF.

Due to the steep rise in raw materials cost during the year ended March 31, 2022 the operating expenses have increased leading to a reduction of profit despite an increase in the sales value.

Due to the global pandemic Covid-19, there has been a total disruption of operations for about 40 days during the year ended March 31, 2021 and lack of trading opportunities resulted in a decline in revenue from operations. The profitability has improved on account of other income.

Due to the economic slowdown during the year ended March 31, 2020 and lack of trading opportunities coupled with deferred deliveries to customers on account of dispatch inabilities emanating from Covid-19 induced lockdown in the last week of FY 20 there was a decline in total income and profit.

Significant accounting policies as per the consolidated audited accounts as on March 31, 2022

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(a) Basis of Accounting

The Consolidated financial Statements of Pitti Electrical Equipment Private Limited (PEEPL) along with its subsidiary viz., Pitti Castings Private Limited (PCPL) and its associate Pitti Engineering Limited (PEL) have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles Generally Accepted in India (Indian GAAP) and comply with Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the companies Act. 2013 (the Act) read with Rule 7 of the Companies (Accounts) Rules, 2014 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.

(b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

(c) Current/ Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

PRINCIPLES OF CONSOLIDATION

- (a) The financial statements of the Holding Company and its subsidiary 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 intra-group 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 subsidiary is offset (eliminated) against the parent's portion of equity in subsidiary.
- (e) Associates are entities over which the Group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting as laid down under Accounting Standard (AS) 23, 'Accounting for Investment in Associate in Consolidated Financial Statements'. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. The Group's investment in associates includes goodwill identified on acquisition.

REVENUE / EXPENDITURE RECOGNITION

Revenue from sale of goods is recognized on transfer of all significant risks and rewards of ownership to the buyer. The amount recognized as sale is exclusive of Goods and service tax/TCS and is net of returns & discounts. Sales are stated gross of GST as well as net of GST (on goods manufactured and outsourced).

Interest income on Term Deposit accounts with banks is recognized on time proportion basis.

Dividend on shares invested is recognized when right to receive is established.

Expenditure is accounted for on accrual basis and provision is made for all known losses and obligations.

PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

Property, Plant and Equipment & Intangible Assets are stated at cost, less accumulated depreciation. All expenditure of capital nature is capitalized. Such expenditure comprises of purchase price, import duties, levies (other than refundable) and any directly attributable cost of bringing the assets to their working condition for intended use.

Pursuant to the requirements under Schedule II to the Act, the Company has identified and determined the cost of each component of an asset separately when the component has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

DEPRECIATION

Depreciation on Property, Plant and Equipment & Intangible Assets is provided using straight line method based on the useful lives as prescribed under Schedule II to the Act, and is charged to the Statement of Profit and Loss. Depreciation for assets purchased / sold during a period is proportionately charged.

Significant components of assets identified separately pursuant to the requirements under Schedule II of the Act, are depreciated separately over their useful life.

Individual assets costing less than ₹5,000/- are depreciated in full in the year of acquisition.

INVENTORIES

Inventories shall be valued at cost or net realizable value, whichever is lower. Cost is determined on weighted average basis.

INVESTMENTS

Investments are classified into current and long-term 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 long-term 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.

Current investments are stated at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Long-term investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management. Reversal of such provision for diminution is made when there is a rise in the value of long-term investment, or if the reasons for the decline no longer exist.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

TAXATION

Tax expenses comprises of current tax (i.e, amount of tax for the period determined in accordance with the Income Tax Act., 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

(a) Current Tax :

The provision for taxation is based on assessable profits of the Company as determined under the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) credit: MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

(b) Deferred Tax :

The Company is providing and recognizing deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

EMPLOYEE BENEFITS

(a) Defined Contribution Plan:

Contribution as per the Employee's Provident Fund 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.

(b) Defined benefit Plan

Gratuity

In accordance with applicable Indian Laws, the company provides gratuity, a defined benefit retirement plan (the Gratuity Plan) covering all 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 company. Liability with regard to Gratuity Plan is accrued based at the Balance Sheet date.

Leave Encashment

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

BORROWING COST

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 of fixed assets, 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.

LEASES

Assets acquired by way of finance lease are capitalized at the lower of the fair value and the present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charge and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease rentals paid in respect of operating leases are recognized as an expense in the statement of Profit and Loss.

IMPAIRMENT OF ASSETS

The Asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement 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.

PROVISIONS AND CONTINGENCIES

The company creates a provision when there exists a present obligation as a result of 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 in respect of which likelihood of 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.

SEGMENT REPORTING

Segments are identified having regard to the dominant source and nature of risks and returns and internal organization and management structure. The Company has considered business segments as the primary segments for disclosure. Geographical segment is recognized as Secondary Segment.

EARNING 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 after 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.

Unprovided contingent liabilities as disclosed in the consolidated audited accounts by way of notes giving the nature and quantum of such liability as on March 31, 2022.

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
(a) Contingent Liabilities - Claims against the Company not acknowledged as debts*		
(i) Income Tax Liability in respect of the appeal preferred by the Income Tax Department with ITAT Div. Bench B.	69.11	69.11
(ii) Central Excise liability for which appeals are pending before CESTAT	143.85	143.85
TOTAL	212.96	212.96
(b) Commitments		
(i) Bank guarantees	300.00	300.00
(ii) Estimated amount of liability on account of Capital Commitments	122.79	125.89
TOTAL	635.75	638.85

*No provisions is considered since the Company expects a favorable decision.

- u. The Acquirer has confirmed that as on date of this LOF, there is no litigation against it nor is it named as a party to any litigation which will have an adverse impact on the transaction.
- v. Based on the on the certificate given by M/s Dattatray Babu & Associates, Chartered Accountants (signed by Mr. Dattatray, Partner, Membership No. 023359) and having office at #3-4-526/1/1, 1st Floor, Barkatpura, Hyderabad-500027, the net worth of PEEL as on June 30, 2022 was ₹1,890.74 lakhs (Rupees One Thousand Eight Hundred Ninety Lakhs and Seventy Four Thousand only).

3.2 PAC

3.2.1 Shri Sharad B Pitti – PAC

- a. In terms of Regulation 2(1) (e) (1) of SEBI (SAST) Regulations, Shri Sharad B Pitti, the Promoter of the Target Company, is a Person Acting in Concert (PAC) with the Acquirers for the purpose of this Offer.
- b. Shri Sharad B Pitti, aged 65 years, residing at 6-3-648, Moti Bhavan, Somajiguda, Hyderabad – 500082 and having Permanent Account Number ADFPP2418K, is an entrepreneur. The contact number is +91-40-23310101.
- c. Shri Sharad B Pitti is the main promoter of the Pitti Engineering. He has experience of over 38 years in the lamination industry. He is presently the Chairman and Managing Director of the Pitti Engineering. Shri Sharad B Pitti had played a pivotal role in the formative years of the Pitti Engineering and has nurtured the organization and contributed to the growth and development of Pitti Engineering.
- d. In 1998-99, when the Pitti Engineering was badly affected by the recessionary conditions more particularly in the electrical and engineering industries, resulting in complete erosion of net worth, Shri Sharad B Pitti infused funds and negotiated with Industrial Development Bank of India (IDBI) and Development Credit Bank Limited (DCBL) for one-time settlement (OTS). With gradual recovery in the market and strict compliance with rehabilitation package, Pitti Engineering's net worth started turning positive and it had brought into its fold the world renowned General Electric (GE) as one of its prestigious clientele. Pitti Engineering had expanded its operations and set up a new plant in 2005. Pitti Engineering had taken up another expansion program to increase the installed capacity to 25,000 MT per annum in 2006. Its machining project, a forward integration program commenced its commercial operations in January, 2008. Pitti Engineering had set up a new plant at Aurangabad in 2017. The installed capacity as on March 31, 2022 is 46,000 MT for sheet metal and 4,03,200 machine hours.
- e. Shri Sharad B Pitti, is one of the promoters of the Target Company as per filing made by the Target company to the Stock Exchanges and was holding 21,37,780 Equity Shares of ₹10/- each constituting 15.85% of the paid up equity capital and voting rights of the Target Company as on the date of the PA. Post sub-division, Shri Sharad B Pitti held 42,75,560 Equity Shares of ₹5/- each as on the date of this LOF. Shri Sharad B Pitti has acquired 12,88,889 Equity Shares of face value of ₹5/- each from the date of PA till the date of this LOF. Further, 16,44,143 Equity Shares pledged with Bank of Baroda were invoked on November 27, 2018 and 4,29,620 unsold invoked equity shares were returned by Bank of Baroda on September 14, 2020. As on date of this LOF, Shri Sharad B Pitti holds 43,49,926 Equity Shares of the face value of ₹5/- each of the Target Company.
- f. The PAC is already a promoter of the Target Company and the Offer will lead to further consolidation in the promoter holdings in the Target Company.
- g. The PAC has confirmed that as on date of the PA and this LOF, there are no litigations against him nor is he named as a party to any litigation which will have an adverse impact on the transaction.
- h. The Equity built-up of the PAC in the Target Company from 1997 is as follows:

Year	Mode of Allotment	Shares purchased/Sold		Cumulative Shareholding		Voting Capital (Nos)	Status of compliance with SEBI(SAST) Regulations, 1997 / SEBI (SAST) Regulations 2011 by PAC / Target Company
		No of Shares	% of Share & Voting Capital	No of Shares	% of Share & Voting Capital		
FY1998				8,66,880		31,50,000	Complied with
FY2004	Oct-03	11,00,000	17.60%	19,66,880	31.47%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
	Dec-03	45,800	0.73%	20,12,680	32.20%	62,50,000	NA
FY2005	Jan-05	13,500	0.22%	19,99,180	31.99%	62,50,000	NA
	Feb-05	10,00,000	16.00%	9,99,180	15.99%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with

Year		Mode of Allotment	Shares purchased/Sold		Cumulative Shareholding		Voting Capital (Nos)	Status of compliance with SEBI(SAST) Regulations, 1997 / SEBI (SAST) Regulations 2011 by PAC / Target Company
			No of Shares	% of Share & Voting Capital	No of Shares	% of Share & Voting Capital		
FY2006	Apr-05	Purchase from IDBI	9,00,000	14.40%	18,99,180	30.39%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
	Jun-05	Purchase	200	0.00%	18,99,380	30.39%	62,50,000	NA
FY2007	Jun-06	Preferential Issue	30,000	0.33%	19,29,380	20.95%	92,10,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2008	Apr-07	Conversion of Warrants	1,20,000	1.27%	20,49,380	21.69%	94,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2009	Sep-08	Purchase	88,400	0.94%	21,37,780	22.62%	94,50,000	NA
FY 2016	Apr -15	Sub-division of equity shares from face value of 10/- to face value 5/-	42,75,560	15.85%	42,75,560	15.85%	2,69,83,400	NA
FY 2018	Feb -18	Preferential Issue	12,88,889	4.32%	55,64,449	18.66%	2,98,27,845	Regulation 29(2) and 30(1) & (2) of SEBI (SAST) Regulations 2011 complied with
FY 2019	Nov-18	Invocation of pledged shares	(16,44,143)	(5.51%)	39,20,306	13.14%	2,98,27,845	29(2), 30(1) & (2) and 31 (2) of SEBI (SAST) Regulations 2011 complied with
FY 2021	Sep-20	Return of unsold invoked shares	4,29,620	1.34%	43,49,926	13.57%	3,20,50,067	Regulation 29(2), 30(1) & (2) and 31 (2) of SEBI (SAST) Regulations 2011 complied with

- i. The PAC has complied with the applicable reporting requirements under Regulations 6(3) and 8(2) of the SEBI (SAST) Regulations and under Regulations 29(2), 30(1), 30(2) and 31(2) of SEBI (SAST) Regulations, 2011 within the stipulated time specified therein
- j. Shri Sharad B Pitti does not hold any position on the board of directors of other listed companies and is a full time director on the Board of Pitti Engineering.
- k. M/s Dattatray Babu & Associates, Chartered Accountants (signed by Mr. Dattatray, Partner, Membership No. 023359) and having office at #3-4-526/1/1, 1st Floor, Barkatpura, Hyderabad- 500 027 have certified that the net worth as on September 14, 2022 of Shri Sharad B Pitti was ₹19,670.96 lakhs (Rupees Nineteen Thousand Six Hundred Seventy Lakhs and Ninety Six Thousand only).

3.2.2 Shri Akshay S Pitti – PAC

- a. In terms of Regulation 2(1) (e) (1) of SEBI (SAST) Regulations, Shri Akshay S Pitti, the promoter of the Target Company, is a person acting in concert (PAC) with the Acquirers for the purpose of this Offer.
- b. Shri Akshay S Pitti, aged 36 years, residing at 6-3-648, Moti Bhavan, Somajiguda, Hyderabad – 500082 and having Permanent Account Number AKWPP6875G is an entrepreneur. Tel No: +91-40-23310821.
- c. Shri Akshay S Pitti, belonging to Promoter Group of the Target Company is the son of Shri Sharad B Pitti. He was inducted as Director (Exports & Business Development) of Pitti Engineering on October 14, 2004. Under his direction and supervision, many reputed clientele have been added to the prestigious list of clientele. He is primarily responsible for the surge in domestic and export sales. He has been Vice-Chairman and Joint Managing Director of Target Company effective from March 22, 2010. Pitti Engineering recorded good performance in 2010-2011 under the dynamic leadership of Shri Akshay S Pitti. The Board felt that the Target Company should take advantage of the favourable market and reach new highs on all fronts and it is in this context that Shri Akshay S Pitti has been re-designated as Vice-Chairman and Managing Director effective from July 07, 2011 and w.e.f April 14, 2022 was appointed as Interim CFO in addition to being the Vice-Chairman & Managing Director of the Target Company.

- d. Shri Akshay S Pitti, is one of the promoters of the Target Company as per filing made by the Target Company to the Stock Exchanges and was holding 15,79,100 equity shares of ₹10/- each constituting 11.70% of the paid up equity capital and voting rights of the Target Company as on the date of the PA. Post sub-division, Shri Akshay S Pitti held 31,58,200 Equity Shares of ₹5/- each. Shri Akshay S Pitti has acquired 21,11,111 Equity Shares of face value of ₹5/- each from the date of PA till the date of this LOF. Further, 14,09,100 Equity Shares pledged with Bank of Baroda were invoked on November 27, 2018 and 3,68,203 unsold invoked Equity Shares were returned by Bank of Baroda on September 14, 2020. As on date of this LOF, Shri Akshay S Pitti holds 42,28,414 Equity shares of the face value of ₹5/- each of the Target Company.
- e. The PAC is already a promoter of the Target Company and the Offer will lead to further consolidation in the holdings of the Promoter Group in the Target Company.
- f. The PAC has confirmed that as on date of this LOF, there is no litigation against him nor is he named as a party to any litigation which will have an adverse impact on the Offer.
- g. The Equity built-up of the PAC in the Target Company from 1997 is as follows:

Year		Mode of Allotment	Shares purchased/Sold		Cumulative Shareholding		Voting Capital (Nos)	Status of compliance with SEBI(SAST) Regulations, 1997 / SEBI (SAST) Regulations 2011 by PAC/ Target Company
			No of Shares	% of Share & Voting Capital	No of Shares	% of Share & Voting Capital		
FY2004	Oct-03	Preferential Issue	5,00,000	8.00%	5,00,000	8.00%	62,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2005	Dec-04	Purchase	24,700	0.40%	5,24,700	8.40%	62,50,000	NA
	Mar-05	Purchase	16,000	0.26%	5,40,700	8.65%	62,50,000	
FY2006	Jun-05	Preferential Issue	3,90,000	4.97%	9,30,700	11.87%	78,40,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2007	Apr-06	Conversion of Warrants	4,10,000	4.97%	13,40,700	16.25%	82,50,000	
	Jun-06	Preferential Issue	30,000	0.33%	13,70,700	14.88%	92,10,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2008	Apr-07	Conversion of Warrants	1,20,000	1.27%	14,90,700	15.77%	94,50,000	Regulation 7(1), 7(1A), 7(3) of the SEBI (SAST) Regulations complied with
FY2009	Sep-08	Purchase	88,400	0.94%	15,79,100	16.71%	94,50,000	NA
FY2016	Apr -15	Sub-division of equity shares from face value of 10/- to face value 5/-	31,58,200	11.70%	31,58,200	11.70%	2,69,83,200	NA
FY2018	Feb -18	Preferential Issue	10,00,000	3.35%	41,58,200	13.94%	2,98,27,845	Regulation 29(2), 30(1) & (2) of SEBI (SAST) Regulations 2011 complied with
FY2019	Nov-18	Invocation of pledged shares	(14,09,100)	(4.72%)	27,49,100	9.22%	2,98,27,845	Regulation 29 (2) and 31 (2) of SEBI (SAST) Regulations 2011 complied with
FY2020	June -19	Preferential Issue - Conversion of warrants	11,11,111	3.47%	38,60,211	12.04%	3,20,50,067	Regulation 29(2), 30(1) & (2) of SEBI (SAST) Regulations 2011 complied with
FY2021	Sept-20	Return of unsold invoked shares	3,68,203	1.15%	42,28,414	13.19%	3,20,50,067	Regulation 29(2), 30(1) and 31 (2) of SEBI (SAST) Regulations 2011 complied with

- h. The PAC has complied with the applicable reporting requirements under Regulations 6(3) and 8(2) of the SEBI (SAST) Regulations and under Regulation 29(2), 30(1) & (2) and Regulation 31(2) of SEBI (SAST) Regulations, 2011 within the stipulated time specified therein.
- i. Shri Akshay S Pitti does not hold any position on the board of directors of other listed companies and is a full time director on the Board of Target Company.

- j. M/s Dattatray & Babu Associates, Chartered Accountants (signed by Mr. Dattatray, Partner, Membership No. 023359) and having office at #3-4-526/1/1, 1st Floor, Barkatpura, Hyderabad- 500 027, have certified that the Net worth as on September 14, 2022 of Shri Akshay S Pitti is ₹21,237.11 lakhs (Rupees Twenty One Thousand Two Hundred and Thirty Seven Lakhs and Eleven Thousand Only).

4. DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI (SAST) REGULATIONS

Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirers along with PAC will hold 2,53,93,641 equity shares constituting 79.23% of the equity share capital of the Target Company. This will result in public shareholding falling below the limit specified in Regulation 38 of the SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015. The Acquirers along with PAC shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions thereof, within the time period mentioned therein.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1 Pitti Engineering or Target Company is a company registered under Companies Act 1956 vide CIN L29253TG1983PLC004141. The Target Company was incorporated on September 17, 1983 as a private limited company and converted into a public limited company on December 29, 1992. Pitti Engineering has its registered office situated at 6-3-648/401, 4th Floor Padmaja Landmark, Somajiguda, Hyderabad-500082, India. The phone number is : +91-40-23312770, 23312774. The name of the Target Company was changed from Pitti Laminations Limited to Pitti Engineering Limited pursuant to the special resolution passed by the shareholders of the Target Company at the Extra-Ordinary General Meeting held on April 11, 2018. A fresh Certificate of Incorporation dated May 8, 2018 was issued by the Ministry of Corporate Affairs, Office of Registrar of Companies, Hyderabad. The manufacturing facilities of Pitti Engineering is situated at following locations :

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

- 5.2 The main business objects of the Target Company are:

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.”

- 5.3 The Authorized Share Capital of the Target Company as on the date of this LOF is ₹30,00,00,000/-.

- 5.4 The total paid up equity capital of the Target Company as on date of this LOF is ₹16,02,50,335/- (Rupees Sixteen Crores Two Lakhs Fifty Thousand Three Hundred Thirty Five Only)) divided into 3,20,50,067 equity shares of ₹5/- each.

- 5.5 The Equity Shares of the Target Company are listed on the NSE and BSE.

- 5.6 As on the date of PA and this LOF, there are no partly paid up shares issued by the Target Company.

- 5.7 The current promoters of the Target Company are Shri Sharad B Pitti and Shri Akshay S Pitti. Smt. Madhuri S Pitti, Sharad B Pitti (HUF) and PEEL are part of Promoter Group.

- 5.8 The Board of Directors of Pitti Engineering comprised Shri Sharad B Pitti, Shri Akshay S Pitti, Shri Y B Sahgal, Shri Sanjay Srivastava, Shri Kantikumar R Podar, Shri Arun Garodia, Shri G. Narayana Rao, Shri Gummalla Vijaya Kumar, Shri N R Ganti, Shri M Gopalakrishna, IAS (Retd) and Shri T S N Murthy, as on the date of PA.

The Board of Directors of Pitti Engineering comprises of Shri Sharad B Pitti, Shri Akshay S Pitti, Shri Gummalla Vijaya Kumar, Shri N R Ganti, Shri M Gopalakrishna, Ms. Gayatri Ramachandran, Shri S. Thiagarajan and Shri D V Aditya, as on the date of this LOF.

PITTI ENGINEERING LIMITED								
LIST OF DIRECTORS & THEIR DETAILS								
SL. NO.	NAME OF THE DIRECTOR & ADDRESS	DIN	AGE	DESIGNATION	DATE OF APPOINTMENT	QUALIFICATION	EXPERIENCE IN PITTI ENGINEERING	OTHER DIRECTORSHIP
1	Shri Sharad B Pitti 6-3-648, Moti Bhavan Somajiguda Hyderabad – 500 082	00078716	65	Chairman & Managing Director	17.09.1983	S.S.C.E	39	<ul style="list-style-type: none"> - Pitti Electrical Equipment Private Limited - Pitti Components Limited - Pitti Rail and Engineering Components Limited - Pitti Holdings Private Limited - Pitti Trade and Investment Private Limited - Pitti Castings Private Limited
2	Shri Akshay S Pitti 6-3-648, Moti Bhavan Somajiguda Hyderabad – 500 082	00078760	36	Vice-Chairman & Managing Director and Interim CFO	14.10.2004	B.COM	18	<ul style="list-style-type: none"> - Pitti Electrical Equipment Private Limited - Pitti Castings Private Limited - Pitti Rail and Engineering Components Limited - Pitti Components Limited - Pitti Holdings Private Limited - Pitti Trade and Investment Private Limited
3	Shri Gummalla Vijaya Kumar 6-3-609/32/A, 1 st Floor Anandnagar Colony Khairtabad Hyderabad – 500 004	00780356	66	Non Executive Independent Director	28.08.2006	L.L.B	16	NIL
4	Shri N R Ganti A101 & 102, Apurupa, 45 Huda Heights, MLA Colony, Banjara Hills, Road No.12 Hyderabad - 500 034	00021592	73	Non Executive Independent Director	16.10.2002	M.B.A	19	Nil
5	Shri M Gopalakrishna 12-2-823/A/23, Santoshnagar, 5th Avenue, Mehdipatnam, Hyderabad – 500 028.	00088454	83	Non Executive Independent Director	28.06.2007	IAS/BSC/BL/AMP CANADA	15	<ul style="list-style-type: none"> - The Andhra Petrochemicals Limited - BGR Energy Systems Limited - Olectra Greentech Limited - NSL Textiles Limited - Seven Life Sciences Limited - Prabhat Agri Biotech Limited - Avra Synthesis Private Limited
6	Ms. Gayatri Ramachandran Plot No.20A, Road No.2, Jubilee Hills, Hyderabad – 500 033	02872723	73	Non Executive Independent Director	22.09.2014	IAS	7	<ul style="list-style-type: none"> - Navi Mumbai Smart City Infrastructure Limited
7	Shri S Thiagarajan Flat No 203, 13-6-429, Plot No 21, 22, Mythri Residency Kanaka Durga Colony Karwan, Hyderabad -500 006	02721001	67	Non Executive Independent Director	24.04.2015	CA	7	Nil
8.	D V Aditya 2-2-3/1/2, Shivam Road, Beside Reliance Digital, Vidya Nagar, Hyderabad – 500 044	02847635	67	Additional Director Non-Executive Independent Director	10.08.2022	CA	1 month	Nil

5.9 As per the shareholding pattern filed with the Stock Exchanges for the quarter ended June 30, 2022, the promoter and promoter group shareholding was 1,90,00,627 fully paid up Equity Shares of face value of ₹5/- each.

5.10 The Target Company started its commercial production in the year 1987 and made steady progress and established itself as a quality product supplier with all major electrical manufacturing companies in India. In 1996-97, the economy in general and electrical and engineering industries in particular witnessed a slowdown resulting in stagnant volumes and shrinking margins. The slowdown in the economy finally transformed itself into a full-blown recession thereby affecting the performance of the Target Company during 1997-98 resulting in lower volumes, decrease in sale prices and slower pace of realizations and hence, net worth of the Target Company got eroded. Thereafter, it was declared a sick company by BIFR in 2002.

The promoters infused funds to an extent of ₹210 lakhs as part of the rehabilitation scheme and also simultaneously approached IDBI and Development Credit Bank Limited (DCBL) for One Time Settlement (OTS) of dues payable to them. The Company had entered into Memorandum of Understanding (MOU) with DCBL and paid the entire sum of ₹240 lakhs thus discharging its obligations under MOU. IDBI had sanctioned the OTS proposal in the year 2002 according to which the sum settled was ₹700 lakhs to be paid in cash ₹600 lakhs & to allot shares of face value of ₹100 lakhs to IDBI with a guaranteed buy back price calculated at 12.50 % CAGR. The entire sum of ₹600 lakhs was paid to IDBI by 31st March 2004 and the allotment of shares of face value of ₹100 lakhs was also made during October 2003, thus honouring the obligations under OTS. The OTS arrived at with IDBI and DCBL formed part of the rehabilitation scheme approved by the BIFR.

Consequent to OTS reached with IDBI and DCBL and infusion of funds by promoters & the overall improvement in the market situation, the Company's financials for 2002-2003 have significantly improved. The Target Company recorded a sales of 3,427 MT in 2002-2003, & also netted a profit of ₹121 lakhs. The market continued to be good in 2003-2004 as well and the Target Company also continued recording impressive growth in sales (5,388 MT at 90% capacity utilization) and ended the year with a net profit of ₹379.36 lakhs. With the net worth turning positive and with complete discharge of obligations under the rehabilitation scheme, the BIFR vide its order No.324/99(II) dated 28th October 2004 has de-registered the Target Company from the purview of the provisions of Sick Industries Companies (Special Provisions) Act, 1985.

The unfavourable economic situations of 2015-16 made the Target Company to reorganise its strategic priorities and embark on plans for expansion, modernisation and strategic relocation. The Company decided to set up a new facility for Laminations in Aurangabad and Machined Components in Hyderabad along with reorganization of its existing manufacturing facilities of Pune and Hyderabad.

Considering the substantial requirement of funds, the banks were approached to finance the same. The Target Company has availed term loans from banks after due sanction and as per the stipulation laid by the bank, the promoters were required to contribute to the extent of ₹4,600 lakhs. Accordingly, to speed up the project implementation, the Target Company had made a preferential allotment to the promoter and promoter group raising ₹4,560 lakhs.

The Target Company has recorded consistent growth since 2017 and has posted a revenue of ₹97,026.40 lakhs and recorded a Profit After Tax of ₹5,189.46 lakhs for the year March 31, 2022.

5.11 Issued and subscribed share capital history of the Target Company

Date of Allotment	Authorised Capital (₹)	Face Value	No of shares (Nos)	% of shares issued	Issue Price (₹)	Consideration (cash, bonus, other than cash)	Reason for Allotment	Cumulative Paid up (Nos)	Cumulative paid up capital (₹)	Cumulative issued capital (₹)	Identity of allottees (promoters/ ex-promoters/ others)
Prior to 1994 and IPO	4,00,00,000	10.00	-	-	-	-	-	12,50,000	1,25,00,000	1,25,00,000	-
01-Apr-94	4,00,00,000	10.00	19,00,000	60.32%	10.00	Cash	IPO	31,50,000	3,13,03,000	3,15,00,000	-
1995-96	10,00,00,000	10.00	-	-	-	-	-	31,50,000	3,14,19,500	3,15,00,000	-
1996-97	10,00,00,000	10.00	-	-	-	-	-	31,50,000	3,14,24,500	3,15,00,000	-
09-Oct-03	10,00,00,000	10.00	31,00,000	49.60%	10.00	-	-	62,50,000	6,23,03,000	6,25,00,000	Promoters and IDBI
22-Jun-05	15,00,00,000	10.00	15,90,000	20.28%	72.00	Cash		78,40,000	7,82,03,000	7,84,00,000	Sonata Investments Ltd - 1150000 (Non-promoter) Trimurty Equity and Finance(Bombay) Pvt Ltd - 50000 (Non-promoter) Shri Akshay S Pitti - 390000 (Promoter)
26-Apr-06	15,00,00,000	10.00	4,10,000	4.97%	72.00	Cash	Conversion of Warrants	82,50,000	8,23,03,000	8,25,00,000	Shri Akshay S Pitti (Promoter)

Date of Allotment	Authorised Capital (₹)	Face Value	No of shares (Nos)	% of shares issued	Issue Price (₹)	Consideration (cash, bonus, other than cash)	Reason for Allotment	Cumulative Paid up (Nos)	Cumulative paid up capital (₹)	Cumulative issued capital (₹)	Identity of allottees (promoters/ ex-promoters/ others)
30-Jun-06	15,00,00,000	10.00	9,60,000	10.42%	82.50	Cash		92,10,000	9,20,51,000	9,21,00,000	Horse Shoe Capital - 600000 (Non-promoter)
											Minivet Limited - 300000 (Non-promoter)
											Shri Sharad B Pitti - 30000 (Promoter)
											Shri Akshay S Pitti - 30000 (Promoter)
11-Apr-07	15,00,00,000	10.00	2,40,000	2.53%	120.00	Cash	Conversion of Warrants	94,50,000	9,44,58,000	9,45,00,000	Shri Sharad B Pitti - 1,20,000 (Promoter) Shri Akshay S Pitti - 1,20,000 (Promoter)
29-Jun-09	15,00,00,000	10.00	-8,300			Cash	Forfeiture of Shares	94,41,700	9,44,17,000	9,44,17,000	
07-Sep-11	15,00,00,000	10.00	40,50,000	30.00%	39.15	Cash	Preferential Issue	1,34,91,700	13,49,17,000	13,49,17,000	Pitti Electrical Equipment Private Limited - 3490000 (Promoter Group) Smt. Madhuri S Pitti - 500000 (Promoter Group)
15-Apr-15	15,00,00,000	5	2,69,83,400	-	-	-	Sub-division of equity shares from face value of 10/- to face value of 5/-	2,69,83,400	13,49,17,000	13,49,17,000	All shareholders
14-Feb-18	30,00,00,000	5	28,44,445	9.54%	90	Cash	Preferential Issue	2,98,27,845	14,91,39,225	14,91,39,225	Shri Sharad B Pitti - 12,88,889 (Promoter)
											Shri Akshay S Pitti - 10,00,000 (Promoter)
											Pitti Electrical Equipment Private Limited - 5,55,556 (Promoter group)
24-June-19	30,00,00,000	5	22,22,222	6.93%	90	Cash	Conversion of Warrants	3,20,50,067	16,02,50,335	16,02,50,335	Shri Akshay S Pitti - 11,11,111 (Promoter)
											Pitti Electrical Equipment Private Limited 11,11,111 (Promoter group)

5.12 As on the date of this LOF, there are no partly paid up shares in the Target Company. The Target Company has 8,300 forfeited Equity Shares of ₹10/- each pending for reissue. The Target Company has confirmed that there are no plans to reissue the forfeited Equity Shares which have been kept in abeyance till the expiry of 3 months after the closure of the Open Offer.

5.13 Pre and post Offer shareholding pattern of the Target Company as on June 30, 2022 was as follows:

Share Holding Pattern of the Company (Assuming entire 20% is acquired form the Public)					
Category Code	Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares	Total number of shares	
				(Pre Offer -Share holding)	(Post Offer - Share holding)
(A)	Shareholding of Promoter and Promoter Group				
1	Indian				
(a)	Individuals/ Hindu Undivided Family	1,03,53,960	32.31	2,54,10,641	79.28
(b)	Central Government/ State Government(s)	--	-		
(c)	Bodies Corporate	86,46,667	26.98		
(d)	Financial Institutions/ Banks	--	-		
(e)	Any Other (specify) – Bodies Corporate	--	-		
	Sub-Total (A)(1)	1,90,00,627	59.28		
2	Foreign				
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	--	-	--	
(b)	Government	--	-	--	
(c)	Institutions	--	-	--	
(d)	Foreign Portfolio Investor	--	-	--	
(e)	Any Other (specify)				
	Sub-Total (A)(2)	--	-	--	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	1,90,00,627*	59.28	2,54,10,641	79.28
(B)	Public shareholding				
1	Institutions				
(a)	Mutual Funds	--	-	66,39,426	20.72
(b)	Venture Capital				
(c)	Alternate Investment Funds	2,83,083	0.88		
(d)	Foreign Venture Capital Investors	--	-		
(e)	Foreign Portfolio Investors	10,329	0.03		
(f)	Financial Institutions /Banks	200	-		
(g)	Insurance Companies	--	-		
(h)	Provident Funds / Pension Funds				
(i)	Any Others (specify)				
	Sub-Total (B)(1)	2,93,612	0.91		
2	Non-institutions				
(a)	Bodies Corporate	12,35,078	3.85		
(b)	Individuals -				
	i. Individual shareholders holding nominal share capital up to ₹2 lakhs	76,14,650	23.76		
	ii. Individual shareholders holding nominal share capital in excess of ₹2 lakhs	25,25,785	7.88		
(c)	NRI	4,01,840	1.25		
(d)	Other clearing members	1,01,006	0.32		
(e)	HUF	4,69,452	1.46		
(f)	Director or Director Relatives	1,620	0.01		
(g)	IEPF	3,83,417	1.20		
(h)	Trust	22,980	0.07		
	Sub-Total (B)(2)	1,27,55,828	39.80		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	1,30,49,440	40.72		
	TOTAL (A)+(B)	3,20,50,067	100.00	66,39,426	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				
(1)	Promoter and Promoter Group	-	-	-	-
(2)	Public	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	3,20,50,067	100.00	3,20,50,067	100.00

* 22,22,222 Equity Shares are locked in and 38,89,060 are pledged shares with Banks

- 5.14 There has been no merger, demerger, or spin off during the last three years involving the Target Company.
- 5.15 The key audited financial results of the Target Company for the financial years 2010-11, 2009-10, and 2008-09 and unaudited financials for the three months ended June 30, 2011, as certified by Mr. Ramesh Kumar (Membership No.200304) Partner of M/s Laxminiwas & Jain, Chartered Accountants, statutory auditor to the Target Company, are given below:

Brief particulars of the Audited Financial Information of the Target Company for the previous three Financial Years and unaudited profit and loss account for the period ended June 30, 2011 as disclosed in the PA are as follows:-

Profit & Loss Statement

(₹ lakhs)

Particulars	2008-2009 (Audited)	2009-2010 (Audited)	2010-2011 (Audited)	For the period ended on June 30, 2011 (Unaudited)
Income from operations	25,850.19	14,447.97	25,177.68	9,387.89
Other Income	(914.87)	721.32	386.71	131.92
Increase / (decrease) in inventory	1,243.66	755.01	736.42	-
Total Income	26,178.98	15,924.30	26,300.81	9,519.81
Operating Expenses	23,430.30	13,456.93	22,991.17	8,345.86
Profit Before Depreciation, Interest and Tax	2,748.68	2,467.37	3,309.64	1,173.95
Depreciation	552.29	633.59	627.77	159.32
Finance Charges	1,290.28	1,193.25	1,346.94	408.87
Exceptional Items	-	548.31	-	-
Profit before Tax	906.11	92.22	1,334.93	605.76
Provision for Tax	294.05	63.11	486.27	211.54
Profit after Tax	612.06	29.11	848.66	394.22

Balance Sheet Statement

(₹ lakhs)

Particulars	2008-2009 (Audited)	2009-2010 (Audited)	2010-2011 (Audited)
Sources of funds			
Paid up share capital	944.58	944.59	944.59
Reserves and Surplus (excluding revaluation reserves)	4,996.49	5,025.61	5,764.53
Net worth	5,941.07	5,970.20	6,709.12
Secured loans	7,980.68	7,136.09	8,507.59
Unsecured loans	525.26	423.92	1,061.42
Deferred tax liability (Net)	342.65	404.64	462.30
Total	14,789.66	13,934.86	16,740.43
Uses of funds			
Net fixed assets	7,866.76	7,232.69	6,804.67
Investments	0.10	0.10	0.10
Net current assets	6,922.80	6,702.07	9,935.66
Total	14,789.66	13,934.86	16,740.43

Other Financial Data

Particulars	2008-2009 (Audited)	2009-2010 (Audited)	2010-2011 (Audited)	For the period ended on June 30, 2011 (Unaudited)
Dividend (₹ lakhs) inclusive of tax	110.51	-	109.74	-
Earnings Per share (in ₹)	6.48	0.31	8.99	4.18
Return on Net worth (PBT/Networth)	15.25%	1.54%	19.89%	-
Book Value Per Share (Networth / No. of shares) (in ₹)	62.90	63.20	71.03	-

5.16 The reasons for fall / rise in total income and profit after tax of the Target Company in the relevant years are as follows:

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE IN 2010-2011

During the financial year 2010-11, the Target Company had achieved its higher production and sales and recorded a total income of ₹26,300.81 lakhs representing an increase of 65.16% compared to the financial year 2009-10. Exports have significantly contributed to the increase in total income. Improvement in the economy, concerted efforts of the Target Company in synergizing its operations in tune with the demands of the buoyant market enabled the Target Company to register a robust performance in complete contrast to the performance of the year-ago period.

Profit after tax for the financial year 2010-11 has phenomenally increased by 2815% compared to the previous financial year mainly on account of better capacity utilization and proportionate reduction in financial expenses and depreciation.

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE IN 2009-2010

Global meltdown had badly affected the exports of the Target Company in 2009-2010. Sales in terms of product quantity decreased to 13814 MT as against 17546 MT achieved in 2008-2009 recording a decline of 21.27% and thereby total sales turnover declined to ₹15,924.30 lakhs in 2009-10 from ₹26,178.98 lakhs in 2008-09, representing a decline of 39%. However, there was an increase in domestic sales to 10297 MT as against 7462 MT in 2008-2009 thus signaling the economic recovery on the domestic front. The Target Company incurred non-recurring expenditure of USD 1.20 Million equivalent to ₹548.31 lakhs in respect of GE's claim towards engineering analysis for repair procedures, actual repairs and other associated costs.

In view of the lower volume of sales, steep fall in exports and the non-recurring expenditure incurred for settling GE's claim, the company has posted a profit before tax (PBT) of ₹92.22 lakhs as against the PBT of ₹906.11 lakhs recorded in the previous fiscal. The profit after tax also decreased to ₹29.11 lakhs from ₹612.06 lakhs in 2008-2009.

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE IN 2008-2009

During the financial year 2008-09, Sales in terms of product quantity recorded for the year is 17546 MT compared to 17080 MT in 2007-2008. Exports touched 10084 MT and sale of Stator Frames is 1766 Nos. The Target Company had achieved an all-time high turnover of ₹26,178.98 lakhs against ₹18,203.00 lakhs in 2007-2008, representing an increase of 46.69%. Loss on hedging operations is ₹975.00 lakhs and this has impacted the profitability of the company despite good operational performance.

Though the revenues have gone up, the profit before tax (PBT) has declined mainly due to loss on hedging operations. The PBT for the year stands at ₹906.11 lakhs as compared to ₹1065.00 lakhs in the previous year. The profit after tax decreased to ₹612.06 lakhs from ₹657.00 lakhs in 2007-2008.

The key audited financial results of the Target Company on a consolidated basis for the last 3 years and unaudited financials for the three months ended June 30, 2022 as certified by Mr Vijay Singh, Partner of Laxminiwas & Co. (Membership No.221671) Chartered Accountants, statutory auditor to the Target Company, as on the date of this LOF are given below:

(₹lakhs)

Profit & Loss Statement	For year ended March 31, 2020	For year ended March 31, 2021	For year ended March 31, 2022	For the period ended June 30, 2022
	(Audited)	(Audited)	(Audited)	(Un Audited)
Revenue from Operations	52,506.29	51,816.71	95,382.38	31,054.24
Other Income	367.45	2,049.23	1,642.55	51.46
Total Income	52,873.74	53,865.94	97,024.93	31,105.70
Total Expenditure	44,734.65	44,012.17	82,120.13	27,508.43
Profit Before Depreciation Interest and Tax	8,139.09	9,853.77	14,904.80	3,597.27
Depreciation and amortization	2,742.00	3,038.68	3,887.68	1,028.41
Finance costs	3,411.54	2,960.81	3,960.50	1,070.30
Profit Before Tax	1,985.55	3,854.28	7,056.62	1,498.56
Total comprehensive income for the year	1,683.67	2,799.21	5,188.91	1,170.69
Total comprehensive income attributable to Owners of the Company	1,709.50	2,875.61	5,186.31	1,170.11

Balance Sheet Statement	As on March 31, 2020	As on March 31, 2021	As on March 31, 2022
	(Audited)	(Audited)	(Audited)
Sources of funds			
Equity Share Capital	1,602.92	1,602.92	1,602.92
Other Equity	19,177.14	21,976.36	26,788.68
Net worth	20,780.06	23,579.28	28,391.60
Non-current Borrowing (secured)	3,386.19	2,547.42	8,508.84
Total Non-current liabilities (excluding non-current borrowings)	6,606.39	9,754.35	9,494.04
Unsecured loans (Part of current borrowings)	2,319.13	1,475.00	1,425.00
Total Sources of funds	30,772.64	35,881.05	46,394.48
Uses of funds			
Net fixed assets	26,136.72	29,890.23	35,240.97
Investments	1,641.00	1,641.00	1,641.00
Net current assets	2,994.92	4,349.82	9,512.51
Total use of funds	30,772.64	35,881.05	46,394.48
Other Financial Data	For year ended March 31, 2020	For year ended March 31, 2021	For year ended March 31, 2022
	(Audited)	(Audited)	(Audited)
Dividend paid (₹ in lakhs)	NIL	NIL	376.59
Earnings Per Share (in ₹)	5.42	8.97	16.18
Return on Net worth (PBT/Networth)	9.56	16.35	24.85
Book value per share (Networth /No. of shares) (in ₹)	64.84	73.57	88.59

Source: Annual Reports and unaudited financials for the three months ended June 30, 2022

The Target Company did not have any entity under its ownership that required consolidation of its financial statements for the financial year ended March 31, 2020. The consolidated financial statements for the financial year ended March 31, 2021 and March 31, 2022 includes the financial results of the wholly owned subsidiary Pitti Rail and Engineering Components Limited which was incorporated on 5th October 2020.

The reasons for fall / rise in total income and profit after tax of the Target Company in the relevant years are as follows:

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE IN 2021-2022

The increase in total income and profitability was on account of the expansion of operations, enhancement of capacities and diversification in product offerings.

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE IN 2020-2021

Due to the global pandemic Covid-19, there has been a total disruption of operations for about 40 days during the year, resulting in a marginal decline in revenue from operations. However, profitability had increased on account of investment subsidy sanctioned by Government of Maharashtra for the Mega Project at Aurangabad and a favorable product mix coupled with cost control initiatives.

REVIEW OF FINANCIAL AND OPERATIONAL PERFORMANCE IN 2019-2020

The drop in revenue was primarily on account of near absent of trading opportunities, a major inventory rationalization undertaken by a large customer, which deferred export deliveries to them by almost two months; and dispatch inabilities emanating from Covid-19 induced lockdown in the last week of FY20.

SIGNIFICANT ACCOUNTING POLICIES AS PER THE CONSOLIDATED AUDITED ACCOUNTS AS ON MARCH 31, 2022

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.

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.

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.

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.

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.

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.

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.

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.

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.

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

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

5.17 Unprovided contingent liabilities as disclosed in the consolidated audited accounts by way of notes giving the nature and quantum of such liability as on March 31, 2022 is given below:

(₹ 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.

5.18 The Target Company has regularly complied with the provisions of the listing agreements with the Stock Exchanges and no punitive and/ or penal action has been taken by the Stock Exchanges against the Target Company. The Target Company has confirmed that, as per the available information none of the Stock Exchanges have suspended trading in its Equity Shares. The Target Company has not received any directions from SEBI under Section 11B of the SEBI Act or under any of the regulations made there under, prohibiting it from dealing in securities.

5.19 The Promoters and the Target Company have complied with the Chapter II requirements of the SEBI (SAST) Regulations. The details of the changes in the cumulative Shareholding of the Promoter Group as and when it took place is as detailed herein below:-

YEAR	MODE OF ALLOTMENT	SHARES PURCHASED/ SOLD		CUMULATIVE SHAREHOLDING		STATUS OF COMPLIANCE WITH SEBI (SAST) REGULATIONS, 1997 / SAST REGULATIONS, 2011
		No. of Shares	% of share and voting capital	No. of Shares	% of share and voting capital	
1997-1998 to 2001-2002	Target Company had filed all the disclosures on March 27, 2003 with the Hyderabad Regional Stock Exchange and Bombay Stock Exchange Limited where its shares were listed under SEBI regularisation scheme 2002 and to the subsequent letter dated TO/RC/532/03 dated 8 th January, 2003 issued by Take Over Division, SEBI extending the duration of the scheme up to 31 st March, 2003.					
2002-2003	NA	NIL	No change	11,33,890	36.00	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2003-2004	Preferential Issue	21,00,000	33.60	32,33,890	51.74	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2004-2005	Sale	8,72,200	(13.96)	23,61,690	37.79	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2005-2006	Preferential Issue and Purchase/Sale	7,95,900	10.15	31,57,590	40.27	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2006-2007	Allotment on conversion of warrants and Preferential Issue	4,70,300	5.10	36,27,890	39.39	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2007-2008	Allotment on conversion of warrants	2,40,000	2.54	38,67,890	40.93	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2008-2009	Purchase	1,76,800	1.87	40,44,690	42.80	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2009-2010	NA	NIL	No Change	40,44,690	42.80	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2010-2011	NA	NIL	No Change	40,44,690	42.80	Disclosure under 8(1), 8(2) 8(3) of SEBI (SAST) Regulations - complied
2011-12	Preferential Issue	40,50,000	30.02	80,94,690	60.00	Disclosure under 29(2), 30 (1),(2) & (3) of SEBI (SAST) Regulations 2011- complied
2012-13	NA	Nil	No Change	80,94,690	60.00	Disclosure under 30(2) of SEBI (SAST) Regulations 2011- complied
2013-14	NA	Nil	No Change	80,94,690	60.00	Disclosure under 30(2) of SEBI (SAST) Regulations 2011- complied
2014-15	NA	Nil	No Change	80,94,690	60.00	Disclosure under 30(2) of SEBI (SAST) Regulations 2011- complied

2015-16	NA	Nil	No Change	1,61,89,380*	60.00	Disclosure under 30(2) of SEBI (SAST) Regulations 2011–complied
2016-17	NA	Nil	No Change	1,61,89,380*	60.00	Disclosure under 29(2), 30(2) of SEBI (SAST) Regulations 2011 –complied
2017-18	Preferential Issue	28,44,445	9.53	1,90,33,825	63.81	Disclosure under , 29(2), 30(2) of SEBI (SAST) Regulations 2011–complied
2018-19	Invocation of pledged shares	-30,53,243	-10.23	1,59,80,582	53.58	Disclosure under 29(2), 30(2), 31(2) of SEBI (SAST) Regulations 2011– complied
2019-20	Preferential Issue-conversion of warrants	22,22,222	6.94	1,82,02,804	56.79	Disclosure under 29(2), 30(2) of SEBI (SAST) Regulations 2011–complied
2020-21	Return of unsold invoked shares	7,97,823	2.49	1,90,00,627	59.28	Disclosure under 29(2), 30(2) of SEBI (SAST) Regulations 2011–complied
2021-22	NA	NIL	No change	1,90,00,627	59.28	N.A.

The above table shows the changes in the shareholding of persons constituting the present Promoter Group. Transactions of persons who earlier formed part of the Promoter Group but have since completely disposed off their shareholdings are not covered above. The above table also does not include inter se transfers, if any, within the Promoter Group. The figures above are as per the records of the Company. Further, the sale and purchase transactions shown above are the net figure of all the purchases and sales during the period disclosed.

*During the FY 2014-15, the Company vide shareholders' approval dated March 16, 2015 has approved sub-division of 1(One) Equity Share of face value of ₹10/- each into 2 (Two) Equity Shares of ₹5/- each. The Record Date for the sub-division of equity shares was April 17, 2015

5.20 Compliance with Corporate Governance: The Target Company has been complying with the corporate governance requirements as are prescribed in SEBI (LODR) Regulations. Mr. Vijay Singh (Membership No.221671) Partner of M/s Laxminiwas & Co., Chartered Accountants, statutory auditor to the Target Company, has issued a certificate dated May 23, 2022 for the year ended March 31, 2022, regarding compliance with the corporate governance requirements under SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period.

5.21 The compliance officer of the Target Company is Ms. Mary Monica Braganza, the compliance officer can be contacted at:

Address:

Pitti Engineering Limited

6-3-648/401, IV Floor,

Padmaja Landmark,

Somajiguda, Hyderabad – 500 082

5.22 DETAILS OF PENDING LITIGATIONS

The Details of Pending Litigations as on the date of the letter of offer are as follows:

Sr.No	Case Pending With	Value In ₹	Related Issue
1	Asst. Commissioner of Service tax, CESTAT-Bangalore) (FY2008-09 to 2010-11)	54,11,284	Service tax credit availed on common input services to be reversed to the extent of job work goods basing on the turnover.
2	Asst Commissioner of Service tax, CESTAT-Bangalore -(FY2011-12)	14,43,912	Service tax credit availed on common input services to be reversed to the extent of job work goods basing on the turnover
3	Appeal to the Commissioner of Income Tax (Appeals) CIT(A)-Hyderabad-4 (AY2017-18)	9,23,07,842	Added the additional income of ₹9 Crore towards unexplained income of ICD's received.
4	Appeal to the Commissioner of Income Tax (Appeals) CIT(A)-Hyderabad-4 (AY2018-19)	5,14,100	Added the additional income of ₹17.35 lakhs (1% on 1.75 Crore) towards assumed income received on trade investment.
	Total	9,96,77,138	

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

- 6.1 The Equity Shares of the Target Company are listed on the BSE and NSE.
- 6.2 Based on the trading volume of the Target Company for the six months period from March 2011 to August 2011, the shares are frequently traded within the meaning of explanation (i) to Regulation 20(5) of SEBI (SAST) Regulations on BSE and NSE as per the data available with BSE and NSE. (Sources: www.bseindia.com and www.nseindia.com)

Stock Exchanges	Total No. of Shares traded during six calendar months prior to the month in which the PA is made (From March 2011 to August 2011)	Total Shares Listed	Trading Turnover (annualized) (% of total shares listed)
BSE	9,53,428	94,41,700	20.20
NSE	8,60,305	94,41,700	18.22

- 6.3 Based on the above information, the Equity Shares of the Target Company are frequently traded on the Stock Exchanges within the meaning of Regulation 20(1) of SEBI (SAST) Regulations as the annualized trading turnover is more than 5% (by number of shares) of the total number of listed shares.
- 6.4 In accordance with Regulation 20(4) and 20 (11) explanation (ii) of the SEBI (SAST) Regulations, the Offer Price of ₹40.05 per Equity Share of ₹10/- each is higher of the following:

S.No.	Particulars	Price (₹ Per Share)
(a)	Negotiated Price under the Agreement	N.A.
(b)	Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of Public Announcement	39.15
(c)	Average of the weekly high and low of the closing prices of the equity shares of the Target Company on BSE during the 26 week period preceding the Board Meeting Date authorising the Preferential Allotment	39.24
(d)	Average of the weekly high and low of the closing prices of the equity shares of the Target Company on BSE during the 26 week period preceding the date of Public Announcement	39.90
(e)	Average of the daily high and low of equity shares of the Target Company on BSE during the 2 week period preceding the date of Public Announcement	40.05

26 weeks average of weekly High and Low of BSE closing prices per share prior to the date the Board Meeting Date authorising the Preferential Allotment

Week No.	Week		High	Low	Average	Volume
1	January 06, 2011	January 12, 2011	44.35	40.25	42.30	15203
2	January 13, 2011	January 19, 2011	39.65	37.50	38.58	22423
3	January 20, 2011	January 25, 2011	40.05	39.00	39.53	17752
4	January 27, 2011	February 02, 2011	38.55	34.80	36.68	23249
5	February 03, 2011	February 09, 2011	36.40	33.35	34.88	42889
6	February 10, 2011	February 16, 2011	38.00	33.25	35.63	37451
7	February 17, 2011	February 23, 2011	38.90	36.25	37.58	54669
8	February 24, 2011	March 01, 2011	38.40	36.65	37.53	34927
9	March 03, 2011	March 09, 2011	38.50	37.50	38.00	23236
10	March 10, 2011	March 16, 2011	38.45	37.50	37.98	19387
11	March 17, 2011	March 23, 2011	38.20	37.25	37.73	11398
12	March 24, 2011	March 30, 2011	37.70	36.90	37.30	23868
13	March 31, 2011	April 06, 2011	43.15	38.15	40.65	44336
14	April 07, 2011	April 13, 2011	43.60	39.90	41.75	42152
15	April 15, 2011	April 20, 2011	42.70	40.00	41.35	33134
16	April 21, 2011	April 27, 2011	45.90	42.05	43.98	106311
17	April 28, 2011	May 04, 2011	44.75	42.20	43.48	52338

Week No.	Week		High	Low	Average	Volume
18	May 05, 2011	May 11, 2011	42.10	40.50	41.30	18002
19	May 12, 2011	May 18, 2011	42.10	40.15	41.13	10585
20	May 19, 2011	May 25, 2011	39.80	38.75	39.28	15793
21	May 26, 2011	June 01, 2011	43.15	38.55	40.85	16662
22	June 02, 2011	June 08, 2011	42.60	39.35	40.98	39467
23	June 09, 2011	June 15, 2011	40.00	38.80	39.40	10943
24	June 16, 2011	June 22, 2011	38.40	36.10	37.25	11494
25	June 23, 2011	June 29, 2011	37.50	36.20	36.85	7207
26	June 30, 2011	July 06, 2011	38.95	37.85	38.40	21314
				Average Price	39.24	

26 weeks average of weekly High and Low of BSE closing prices per share prior to the date of the PA

Week No.	Week		High	Low	Average	Volume
1	March 11, 2011	March 17, 2011	38.45	37.25	37.85	17889
2	March 18, 2011	March 24, 2011	38.20	37.15	37.68	12533
3	March 25, 2011	March 31, 2011	38.15	36.90	37.53	26669
4	April 01, 2011	April 07, 2011	43.60	39.00	41.30	54123
5	April 08, 2011	April 13, 2011	41.65	39.90	40.78	27400
6	April 15, 2011	April 21, 2011	42.70	40.00	41.35	36371
7	April 25, 2011	April 28, 2011	45.90	43.25	44.58	116301
8	April 29, 2011	May 05, 2011	44.20	41.15	42.68	49460
9	May 06, 2011	May 12, 2011	42.10	40.50	41.30	9085
10	May 13, 2011	May 19, 2011	42.10	39.80	40.95	15323
11	May 20, 2011	May 26, 2011	39.80	38.55	39.18	11946
12	May 27, 2011	June 02, 2011	43.15	40.00	41.58	40361
13	June 03, 2011	June 09, 2011	40.90	39.35	40.13	16023
14	June 10, 2011	June 16, 2011	40.00	38.40	39.20	9600
15	June 17, 2011	June 23, 2011	38.00	36.10	37.05	13266
16	June 24, 2011	June 30, 2011	37.85	36.25	37.05	7363
17	July 01, 2011	July 07, 2011	38.95	38.50	38.73	21294
18	July 08, 2011	July 14, 2011	40.50	38.65	39.58	36673
19	July 15, 2011	July 21, 2011	40.00	38.95	39.48	9938
20	July 22, 2011	July 28, 2011	40.50	39.00	39.75	25480
21	July 29, 2011	August 04, 2011	42.05	40.85	41.45	26828
22	August 05, 2011	August 11, 2011	43.10	35.60	39.35	109989
23	August 12, 2011	August 18, 2011	42.55	38.75	40.65	98069
24	August 19, 2011	August 25, 2011	40.55	37.30	38.93	72115
25	August 26, 2011	August 30, 2011	39.10	38.05	38.58	40195
26	September 02, 2011	September 08, 2011	41.20	40.25	40.73	26277
				Average Price	39.90	

2 weeks average of daily High and Low price per share on BSE prior to the date of the PA

Day No.	Date	High	Low	Average	Volume
1	August 26, 2011	41.45	37.50	39.48	19930
2	August 29, 2011	39.70	38.20	38.95	14813
3	August 30, 2011	41.75	39.00	40.38	5452
4	September 02, 2011	40.90	38.30	39.60	11323
5	September 05, 2011	40.75	39.40	40.08	2780
6	September 06, 2011	41.00	39.75	40.38	4470
7	September 07, 2011	41.65	40.00	40.83	4196
8	September 08, 2011	41.50	40.00	40.75	3508
			Average Price	40.05	

Note: The price per equity share mentioned in the above para 6.4 is pre sub-division of equity shares. The Company wide shareholder's approval dated March 16, 2015 has approved sub-division of 1(One) Equity Share of face value of ₹10/- each into 2 (two) Equity Shares of ₹5/- each.

In view of the above, the Offer price of ₹41/- per fully paid-up equity share is justified as per the Regulation 20 of the SEBI (SAST) Regulations. However please note that the aforesaid Offer Price is based on the price mentioned in para 6.4 which is prior to sub-division. The Company wide shareholder's approval dated March 16, 2015 has approved sub-division of 1(one) Equity Share of face value of ₹10/- each into 2 (Two) Equity Shares of ₹5/- each. The number of shares increased to 2,69,83,400 equity shares of ₹5/- each from 1,34,91,700 Equity Shares of ₹10/- each. Hence, the Offer price of ₹20.50 per fully paid up equity share at face value of ₹5/- is justified as per the Regulation 20 of the SEBI (SAST) Regulations.

Weekly prices have been derived considering that the week ended on July 06, 2011 which is week preceding the date of the Board Meeting authorizing Preferential Allotment i.e. July 07, 2011 for the purpose of clause (c) above and week ended on September 08, 2011 which is week preceding the date of the Public Announcement i.e. September 09, 2011 for the purpose of clause (d) and (e) above. For calculating the Offer Price in terms of regulation 20(4) and regulation 20(11) explanation (ii) of SEBI (SAST) Regulations, the price volume data of the stock exchange where the shares of the Target Company are most frequently traded during the period has been considered.

The Manager to the Offer had filed the Draft Letter of Offer with SEBI by its letter dated September 19, 2011. SEBI had vide letter dated December 17, 2012 conveyed its observations on the Draft letter of Offer whereby SEBI directed that the offer price of this Open Offer be revised ("**SEBI Direction**") on account of certain allotments made on April 26, 2006 and April 11, 2007 ("**Alleged Triggers**") to Shri Akshay S Pitti, which according to SEBI had triggered an obligation to make an open offer under Regulation 10 of the SEBI (SAST) Regulations at that time.

Being aggrieved by the SEBI Direction, the Acquirer filed an appeal before the Hon'ble Securities Appellant Tribunal ("**SAT**"). The SAT by its order dated October 31, 2013 set aside the SEBI Direction ("**SAT Order**").

Being aggrieved by the SAT Order, SEBI filed a civil appeal No. 8249 of 2013 before the Hon'ble Supreme Court of India ("**SC**"). The SC vide order dated July 11, 2022 dismissed the appeal filed by SEBI and upheld the SAT Order. The key legal issue before the SC was whether an acquisition of shares / voting rights by Shri Akshay S Pitti triggered an obligation to make an open offer when the aggregate holding of Shri Akshay S Pitti along with persons acting in concert was already above the triggering threshold of under Regulation 10 of the SEBI (SAST) Regulations.

The SC held that Regulation 10 of the SEBI (SAST) Regulations does not apply when the acquirer along with the persons acting in concert already holds more than 15% of the shares or voting rights in the target company. The SC also clarified that Regulation 3(3) of the SEBI (SAST) Regulations, 2011 which prescribes that in the event the individual shareholding of a person exceeds the stipulated thresholds, it shall also attract the obligation to make an open offer irrespective of whether there is a change in the aggregate shareholding with persons acting in concert, does not apply retrospectively.

As per regulation 20(7), If the Acquirers or PAC acquire the Equity Shares of the Target Company after the date of the PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received during the Offer. Accordingly pursuant to Preferential Allotment 2018 and Preferential Allotment 2019 as mentioned in para 2.1.8 and pursuant to the SEBI Letter dated September 9, 2022, SEBI has directed the Acquirers to revise the Offer Price to ₹90/- as the final price payable to the Public Equity Shareholders. The Acquirers have therefore decided to accept the revised Offer Price of ₹90/- per Equity Share and have decided with SEBI's directions on the basis that there will be no further revisions to the Offer Price of ₹90/- per Equity Share. The Offer Price shall be revised if required as per applicable law for any subsequent acquisition of Equity Shares by the Acquirers and the PAC during this offer period. In accordance with SEBI direction, the Offer Size has been increased to 64,10,014 Equity Shares. Therefore, all the figures / amounts in this Letter of Offer with respect to Offer Shares and Offer Price has been modified accordingly.

- 6.5 The total fund requirement or the Maximum Consideration for the Offer assuming full acceptance of the Offer would be ₹57,69,01,260/- (Rupees Fifty Seven Crores Sixty Nine Lakhs One Thousand Two Hundred Sixty Only) i.e. consideration payable for acquisition of 64,10,014 fully paid equity shares of the Target Company at an Offer Price of ₹90/- (Rupees Ninety Only) per equity share.
- 6.6 The Acquirers along with PAC have adequate resources to meet the financial requirement of the Offer in terms of Regulation 16(xiv) of regulations. The PAC has vide their letters dated September 15, 2022 confirmed to extend financial support to the Acquirers and ensure that the obligations of Acquirers as set out under the Regulations are complied with.
- 6.7 The source of funding in order to meet the obligations under the Offer for the Acquirers is out of their existing cash and bank balance and financial assistance to be extended by the PAC and for the PAC from their existing cash and cash equivalents generated from other assets.
- 6.8 The Acquirers, PAC, BOBCAPS and HDFC Bank Limited (“HDFC Bank “), a company incorporated under the laws of India and having one of its branch offices at Fort, Mumbai and registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai-400 013, India, have entered into an Open Offer Escrow Agreement (the “Escrow Agreement”) in accordance with Regulation 28 of the SEBI (SAST) Regulations. The Manager to the Offer has been duly authorized by the Acquirers to operate and realize the value of Escrow Account in terms of the Regulations.
- 6.9 Assuming full acceptance, the total funds requirements to meet this Offer is ₹57,69,01,260 (Rupees Fifty Seven Crores Sixty Nine Lakhs One thousand Two Hundred and Sixty Only). In accordance with Regulation 28 (9) and 28(10) of the SAST Regulations, the Acquirer has made a financial arrangement into an Escrow Account for ₹3,12,00,000/- (Rupees Three Crores Twelve Lakhs only) comprising 28.20% as on date of the PA and additional 10% of the consideration amounting to 5,80,00,000/- (Rupees Five Crores and Eighty Lakhs Only) payable to public equity shareholders upon revision in terms of Regulation 28(9) of the SEBI (SAST) Regulations by the following:
- Bank Guarantee for ₹3,00,00,000/- (Rupees Three Crores Only) in favour of BOBCAPS, being in excess of 25% of the original Offer size, issued by Indian Overseas Bank, Adarshnagar Branch, Hyderabad having its Head Office at 763, Anna Salai, Chennai – 600002; and
 - Cash Deposit of ₹12,00,000/- (Rupees Twelve Lakhs Only), being in excess of 1% of the original Offer size. In addition, the Acquirers have deposited an amount of ₹5,80,00,000/- (Rupees Five Crores and Eighty Lakhs Only) being 10% of the consideration payable upon revision of Offer Size in terms of Regulation 28(9) of the SEBI (SAST) Regulations with the HDFC Bank Limited, Fort Branch, Mumbai having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai-400 013.

BOBCAPS has been duly authorized to realize the value of the aforesaid Escrow Account in terms of the SEBI (SAST) Regulations.

Dattatray Babu & Associates, Chartered Accountants (signed by Mr.Dattatray, Partner Membership No. 023359) and office at “# 3-4-526/1/1, 1st Floor Barkatpura, Hyderabad- 500027 have certified that the Acquirers and PAC have sufficient means and capability for the purpose of making Open Offer of size of ₹57,69,01,260 (Rupees Fifty Seven Crores Sixty Nine Lakhs One Thousand Two Hundred Sixty Only).

- 6.10 The Acquirer and PAC have vide certificate dated September 15, 2022 given an undertaking to the Manager to the Offer to meet its financial obligations under the Offer.
- 6.11 Based on the above, BOBCAPS is satisfied with the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.
- 6.12 Statutory Approvals/ Other Approvals Required for The Offer:**
- 6.12.1 The Offer may be subject to approvals if any from Reserve Bank of India (“RBI”) (if any) as may be required under the Foreign Exchange Management Act, 1999 and the rules and regulations made there under. Target Company had entered into agreements with banks and financial institutions for working capital and Term loan finance. The loan agreements contained clause, as per which any change in capital structure would require sanction of the institutions / banks. The company has received approval from the banks as on the date of PA.
- 6.12.2 Kotak Mahindra Bank, Allahabad Bank, State Bank of India, Indian Overseas Bank, SBI Global Factors Limited, IndusInd Bank and Oriental Bank of Commerce have accorded their approval vide letters dated July 28, 2011, August 01, 2011 August 03, 2011, September 14, 2011, September 13, 2011, November 24, 2011 and November 25, 2013 respectively.
- 6.12.3 To the best of the Acquirer’s knowledge as of the date of the Public Announcement, there are no other statutory approvals required to implement the Offer other than the one specified above. If any other statutory approvals become applicable prior to completion of the Offer, the Offer would also be subject to such other statutory approvals. The Acquirers will have the right not to proceed with the Offer in the event any of the statutory approvals that are required are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.
- 6.12.4 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to the Acquirers for payment of consideration to shareholders of the Target Company, subject to the Acquirers and PAC agreeing to pay interest for the delayed

period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by the Acquirers in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.

6.12.5 To the best of their knowledge, the Acquirers and PAC do not require any approvals from financial institutions or banks for the Offer.

6.12.6 The Acquirers along with PAC shall complete all procedures relating to the Offer within period of 15 days from the closure of the Offer.

6.12.7 There is no non-compete agreement existing.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Letter of Offer relating to the Offer (the “**LOF**”) together with the Form of Acceptance cum Acknowledgment & Form of Withdrawal will be dispatched (through email or physical mode) to the shareholders of the Target Company (other than the promoter group), whose names appear on the Register of Members of the Target Company as per Regulation 22(3) of SEBI (SAST) Regulations and to the beneficial owners of the Shares in dematerialized form whose names appear on the beneficial records of the respective Depositories, in either case, at the closure of business on Friday, September 09, 2022(the “**Specified Date**”). However, on receipt of a request from any shareholder to receive a copy of the Letter of Offer along with Form of Acceptance cum Acknowledgement & Form of Withdrawal in physical format, the same shall be provided by the Registrar to the Offer i.e. Bigshare Services Private Limited. Besides this, for all those shareholders who do not have their email IDs registered with the Registrar of the Target Company, the Letter of Offer along with Form of Acceptance cum Acknowledgement & Form of Withdrawal will be sent physically.

7.2 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting their shares dematerialized is completed in time for the credit in the special depository account to be received on or before the closing date of the Offer, i.e., no later than October 12, 2022 or else their application will be rejected. Alternatively, if the Shares sent for dematerialization are yet to be processed by the Shareholder’s DP, the Shareholder can withdraw its dematerialization request and tender the Share certificate(s) in this Offer as per the mentioned procedure or else the Acquirers and PAC reserves the right to reject such shares.

7.3 Every Shareholder (except Promoter Group) in the Target Company, regardless of whether she / he held Shares on the Specified Date, or has not received the Letter of Offer, is entitled to participate in the Offer.

7.4 While tendering the shares under the Offer, NRI/ OCB/ Non-domestic companies/ Other persons who are not resident in India will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such shares tendered. While tendering shares under the Offer, NRI/ OCB/ Non-domestic companies /Other persons who are not resident in India will be required to submit a No Objection Certificate / Tax Clearance Certificate from the Income Tax authorities, under the Income Tax Act, 1961 (the “Income Tax Act”), indicating the rate at which the tax has to be deducted by the Acquirers before remitting the consideration. In case the aforesaid No Objection Certificate / Tax Clearance certificate is not submitted, the Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act 1961, on the entire consideration amount payable to such shareholder.

7.5 As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act payable to a Foreign Institutional Investor (“**FII**”) as defined in Section 115AD of the Income Tax Act.

7.6 The securities transaction tax will not be applicable to the shares accepted under the Offer.

7.7 22,22,222 equity shares allotted under preferential allotment on conversion of warrants to Pitti Electrical Equipment Pvt. Ltd and Shri Akshay S Pitti are under locked in. Further, there are no locked in shares of public equity shareholder of the Target Company

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 Shareholders of the Target Company who are holding shares in physical form and who wish to tender their shares will be required to send the Form of Acceptance cum Acknowledgement, original share certificate(s) and transfer deed(s) duly signed (by all Shareholders in the same order in which shares are held as per the register of members of the Target Company in case the shares are in joint names as per the specimen signature(s) lodged with the Target Company and witnessed) to the Registrar to the Offer- Bigshare Services Private Limited, Office No.S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road Andheri (East), Mumbai 400 093 Phone Nos: 022-62638200 Email: openoffer@bigshareonline.com (“**Registrar to the Offer**”), either by hand delivery on weekdays or by registered post, so as to reach on or before the closure of the Offer, i.e., no later than October 12, 2022 in accordance with the instructions to be specified in the Draft Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.2 The share transfer deed i.e. (**Form SH-4**) should be left blank, except the signature portion and witness portion as mentioned above. Attestation, where required (thumb impression, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public office and authorised to use the seal of his office or a member of a recognised Stock Exchange under their seal of office and membership number or manager of the transferor’s bank.

- 8.3 Self-certified copy of PAN Cards of all shareholders in whose names shares are held.
- 8.4 In case the shares stand in the name of a sole shareholder, who is deceased, then the Form of Acceptance cum Acknowledgement must be signed by the legal representative(s) of the deceased and submitted along with a certified or attested true copy of the probate /letter of administration/ succession certificate, while accepting this Offer.
- 8.5 In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, the Offer shall be deemed to be acceptance of the Offer. Notwithstanding that the signature(s) of the transferor(s) has / have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with PIL or are not in the same order, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.
- 8.6 Duly attested power of attorney, if any person other than the shareholder has signed the Form of Acceptance cum Acknowledgement and share transfer deed(s).
- 8.7 In case of mismatch in the signature of the holder as available in the folio of the RTA and the present signature or if the same is not available with the RTA, then the holder /claimant shall furnish original cancelled cheque and Bankers attestation of the signature as per ISR-2 Form according to SEBI circular SEBI/HO/MIRSD/ /MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 alongwith the share certificate and form of acceptance
- 8.8 In case of companies, the necessary corporate authorisations including the following:
- Board resolution authorising such acceptance /power to sell the shares.
 - Board resolution authorising execution of transfer documents.
 - Signature(s) of the authorised signatories duly attested.

- 8.9 The Registrar to the Offer on behalf of the Acquirers and PAC has opened a special depository account as detailed below:

Depository	National Securities Depository Limited (“NSDL”)
Account Name	BSPL ESCROW A/C –PITTI ENGINEERING -OPEN OFFER
Depository Participant	CHOICE EQUITY BROKING PRIVATE LIMITED
DPID	12066900
Client ID	05253731

- 8.10 Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares of the Target Company will be required to send their Form of Acceptance cum Acknowledgement duly completed (in English) and signed (by all the Shareholders in the same order in which shares are hold as per the register of members of Pitti Engineering in case the shares are in joint names as per the specimen signatures lodged with respective depositories) along with the photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instructions in “Off-market” mode, duly acknowledged by the Depository Participant (“DP”), in favour of the special depository account to Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Andheri (East), Mumbai 400 093 Phone No: 022-62638200, Fax No: 022-62638299 Email: openoffer@bigshareonline.com Contact person: Mr. Swapnil Kate either by hand delivery on weekdays or by Registered post acknowledgement due, so as to reach on or before the closure of the Offer, i.e., not later than October 12, 2022 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered shares should be received in the special depository account on or before the closure of the Offer, i.e., not later than October 12, 2022. Shareholders of the Target Company having their beneficiary account in CDSL shall use the inter-depository delivery instruction.
- 8.11 Pursuant to SEBI circular dated August 27, 2020 vide reference number SEBI/HO/MIRSD/DOP/CIR/P/2020/158), with effect from November 1, 2020, SEBI has made it mandatory for all shareholders holding shares in dematerialized form to authenticate their off-market transaction requests through the one-time password (“OTP”) authentication method, pursuant to the submission of their delivery instruction slip with the DP. All Shareholders shall generate and submit the OTP (based on the link provided by the Depository to the Shareholder via Email/SMS) to authenticate the off-market transaction(s). Shareholders are requested to authenticate their transaction as soon as they receive the intimation from the Depository to avoid failure of delivery instruction. Kindly note, no transaction will be processed by the Depositories unless the same is authenticated by the Shareholder through the above said OTP method.
- 8.12 For each delivery instruction, the Beneficial Owner should submit separate Form of Acceptance cum Acknowledgement.
- 8.13 The beneficial owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depository Escrow Account.
- 8.14 Beneficial owners having their beneficiary account in CSDL have to use inter-depository delivery instruction slip for the purpose of crediting their Shares in favour of the Special Depository Escrow Account with NSDL.
- 8.15 In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirers and PAC may deem the Offer to have been accepted by the beneficial owner as mentioned in para 8.5 above.

- 8.16 Dematerialized equity shares tendered pursuant to the Form of Acceptance but not credited to the Special Depository Account on or before the closing of the Tendering Period, i.e., October 12, 2022 are liable to be rejected. Public Shareholders are therefore requested to tender the delivery instructions at least two (2) working days prior to the date of the closing of the Tendering Period.
- 8.17 For payment of consideration to the dematerialized shareholders whose shares are accepted in this Open Offer, the bank account particulars as obtained from the Depository for such shareholders will be considered for payment and the payment instrument / instructions will be issued with such bank account particulars.
- 8.18 In addition to the above-mentioned address, the shareholders of the Target Company who wish to avail themselves of accepting the Offer can also deliver the Form of Acceptance cum Acknowledgement along with all of the relevant documents at any of the collection centers below in accordance with the procedure as set out in the Draft Letter of Offer.

All of the centers mentioned herein below will be opened as follows:

Sr. No.	Branch	Address	Contact Person	Tel no.	Fax no.	Mode
1	Mumbai	Bigshare Services Pvt.Ltd., Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai - 400 093	Mr. Swapnil Kate	022- 62638200	022- 62638299	Post & Hand Delivery
2	Ahmedabad	Bigshare Services Pvt.Ltd. A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura Ahmedabad - 380 009	Mr. Ramesh Nair	079- 40024135	NA	Hand Delivery
3	Hyderabad	Bigshare Services Private Limited, 306 Right Wing, Amrutha Ville, Opp.Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082.	Mr. Amarendra	040-23374967	NA	Hand Delivery
4	New Delhi	Bigshare Services Pvt. Ltd., 302, Kushal Bazar 32-33, Nehru Place, New Delhi-110019	Mr. Mukesh Kumar	011-42425004	NA	Hand Delivery

Collection Timings for all the locations mentioned above will be 10.00 A.M. to 1.00 P.M. & 2.00 P.M. to 4.30 P.M. during Monday to Friday only and on Saturday 10.00 A.M. to 1.00 P.M.

- 8.19 All owners (registered or unregistered) of shares (except the Acquirers, PAC and the Promoter Group of the Target Company) are eligible to participate in the Offer anytime before the closing of the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares tendered, distinctive numbers, folio number, together with the original share certificate(s), valid transfer deeds (details of buyer should be left blank failing which the same will be considered invalid under the Offer) and the original contract notes issued by the broker of a recognized stock exchange, through whom they acquired their shares and a self-certified photocopy of the PAN card and in case of physical shareholders, self-certified copy of PAN cards of all physical shareholders in whose names shares are held. No indemnity is required from the unregistered owners. The unregistered shareholders should not sign the share transfer deed and the share transfer deed should be valid for transfer.
- 8.20 In case of non-receipt of the Letter of Offer, the eligible persons may (i) download the same from the SEBI website (www.sebi.gov.in), (ii) obtain a copy of the same by writing to the Registrar to the Offer, or (iii) make an application to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, distinctive numbers, folio number, number of shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the close of the Offer, i.e., not later than October 12, 2022 or in case of beneficial owners, send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e., not later than October 12, 2022.
- 8.21 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs and FPIs) were required to obtain any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them,

they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirers and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis.

- 8.22 **The Form of Acceptance cum Acknowledgement along with other relevant documents should not be sent to the Acquirers and PAC or to the Target Company or to the Manager to the Offer. The same should be sent to the Registrar to the Offer.**
- 8.23 Applications in respect of shares that are the subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the shares during the pendency of the said litigation are liable to be rejected if the directions / orders regarding these shares are not received together with the shares tendered under the Offer.
- 8.24 Pursuant to Regulation 22(5A) of the SEBI (SAST) Regulations, public equity shareholders of the Target Company desirous of withdrawing the acceptances tendered by them in the Offer may do so up to three (3) working days prior to the closing date of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before Friday, October 07, 2022.
- a) The withdrawal option can be exercised by submitting duly signed and completed Form of Withdrawal, which will be enclosed with the Letter of Offer, copy of the Form of Acceptance cum Acknowledgement /plain paper application submitted and the acknowledgement slip in original. In case of partial withdrawal, valid share transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at appropriate place.
- b) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on a plain paper along with the following details:
- In case of shares held in physical form: Name, Address, Distinctive numbers, Folio number, Number of shares tendered and withdrawn; and
- In case of shares held in dematerialised form: Name, Address, Number of shares offered, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction slip in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP, in favor of the special depository account.
- 8.25 The withdrawal of Shares will be available only for the Share Certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.
- 8.26 The Form of Withdrawal alongwith enclosures should be sent to the Registrar to the Offer only
- 8.27 In case of partial withdrawal of shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from PEL. The facility of partial withdrawal is available only to Registered Shareholders / Beneficial Owners. In case of partial withdrawal, the earlier Form of Acceptance cum Acknowledgement will stand revised to that effect.
- 8.28 The shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP Account.
- 8.29 The physical shares withdrawn by the shareholders would be returned by registered post.
- 8.30 The Registrar to the Offer will hold in trust the shares/share certificates, shares held in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the Public Equity Shareholders of the Target Company who have accepted the Offer, until the cheques/drafts/ECS/RTGS/NEFT for the consideration or the unaccepted shares/share certificates are dispatched/returned.
- 8.31 If the aggregate of the valid responses to the Offer exceeds the Offer size of 64,10,014 equity shares (representing 20% of the Equity Capital), then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The equity shares of the Target Company are compulsorily traded in dematerialized form, hence the minimum acceptance will be one equity share.
- 8.32 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post/speed post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Unaccepted shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.
- 8.33 Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
- 8.34 The marketable lot for the Target Company is one equity share.

8.35 The shareholders holding shares in physical form, who have sent their shares for dematerialization need to ensure that the process of getting the shares dematerialized is completed well in time and shares are transferred to the Special Depository Escrow Account on or before 5.00 p.m on the Offer Closing Date. Alternatively, if the shares sent for dematerialization are yet to be processed by the shareholder's DP, the shareholder can withdraw its dematerialization request and tender the share certificate(s) in this Offer as per the mentioned procedure or else the Acquirers and PAC reserves the right to reject such shares.

8.36 General

8.36.1 If the Acquirers decide to make upward revisions in the Offer Price/Number of Shares to be acquired, in accordance with regulation 26 of the SEBI (SAST) Regulations, such upward revision will be made no later than Monday, October 03, 2022 (Seven working days prior to the date of closure of the Offer). Such revisions/amendments would be affected by making a Public Announcement in the same newspapers in which the original Public Announcement is being made. (i.e Financial Express (English) – all editions, Jansatta (Hindi)-all editions and Nava Telangana (formerly Prajashakti (Regional)-Andhra Pradesh edition)

8.36.2 If there is a withdrawal of the Offer by the Acquirers, the same will be informed by way of a public announcement in the same newspapers in which this Public Announcement has appeared.

8.36.3 If there is a competitive bid:

- a) **The offers to the Public Equity Shareholders of the Target Company under all of the subsisting bids shall close on the same date.**
- b) **As the Offer Price can be revised until the period beginning seven (7) working days prior to the closing date of the Offer / bids, it would, therefore, be in the interest of the shareholders of the Target Company to wait until the commencement of that period to know the final offer price of each offer/bid and tender their acceptances accordingly.**

8.36.4 Pursuant to Regulation 13 of the SEBI (SAST) Regulations, the Acquirer has appointed BOB Capital Limited as Manager to the Offer and the Manager to the Offer issued the Public Announcement on behalf of the Acquirers.

8.36.5 Neither the Acquirers, PAC nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B or any other regulations made under the Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto.

8.36.6 The Acquirers and PAC accept full responsibility for the information contained in the Public Announcement and this LOF and also for the obligations of the Acquirers along with PAC as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof.

8.36.7 Registrar to the Offer - Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Mahakali Caves Road, Andheri (East), Mumbai 400 093 Phone No: 022-62638200, Fax No: 022- 62638299 Email: openoffer@bigshareonline.com Contact person: Mr. Swapnil Kate, Website: www.bigshareonline.com , SEBI Registration No. : INR000001385.

9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection by the shareholders at the office of the Manager, whose address is given on the cover page of this document, between 10 a.m. and 5 p.m. on all Working Days (except Saturdays and Sundays) until the Offer Closing Date:

1. Certificate of Incorporation, Memorandum and Articles of Association of the Pitti Electrical Equipment Private Limited (Acquirer).
2. Certificate of Incorporation, Memorandum and Articles of Association of the Pitti Engineering Limited (Target Company).
3. Copy of Board Resolution dated September 07, 2011 passed by the Board of Directors of Pitti Engineering Limited allotting the equity shares through preferential allotment.
4. Copy of Board Resolution dated July 07, 2011 passed by the Board of Directors of Pitti Engineering Limited authorising the preferential allotment of 40,50,000 equity shares.
5. A copy of Securities Appellate ("SAT") order dated October 31, 2013 and a copy of order of Hon'ble Supreme Court dated July 11, 2022 dismissing the appeal filed by SEBI and upheld the SAT order.
6. Copy of the Escrow Agreement dated September 08, 2011 between the Acquirers, PAC, BOB Capital Limited and HDFC Bank Limited and a letter dated September 14, 2022 from HDFC Bank confirming the amount placed in the Escrow Account, towards the proposed Offer.
7. Certificate dated September 14, 2022 by Mr. Dattatray Babu & Associates, Chartered Accountants (Partner Membership No. 023359) and having office at #3-4-526/1/1, 1st Floor, Barkatpura Hyderabad- 500027 regarding the adequacy of financial resources of Acquirers and PAC to fulfil their obligations under the Offer.
8. Audited Annual Reports of Pitti Engineering Limited for the financial year ended March 31, 2009, March 31, 2010 and March 31, 2011 and unaudited financial statements as at and for the period ended June 30, 2011.

9. Audited Annual Reports of Pitti Engineering Limited for the financial year ended March 31, 2022, March 31, 2021 and March 31, 2020 and unaudited financial statement for the period ended June 30, 2022.
10. Audited Annual Report of Pitti Electrical Equipment Private Limited for the financial years ended March 31, 2009, March 31, 2010 and March 31, 2011 and for the period ended June 30, 2011.
11. Consolidated Financial statements of Pitti Electrical Equipment Private Limited for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020.
12. Copy of Bank Guarantee dated September 08, 2011 which has been extended upto May 20, 2023 issued by Indian Overseas Bank, Adarshnagar Branch, Hyderabad having its Head Office at 763, Anna Salai, Chennai – 600002 on behalf of the Acquirer in favour of the BOB Capital Limited which is valid up to and including May 20,2023.
13. Copy of the Memorandum of Understanding dated August 24, 2011 and September 14, 2022 between Bigshare Services Private Limited (Registrar to the Offer), Pitti Electrical Equipment Private Limited and Smt. Madhuri S Pitti for opening a special depository account and for carrying out the necessary formalities under the open offer.
14. Certificate dated September 14, 2022 of M/s Dattatray Babu & Associates, Chartered Accountants (signed by Mr. Dattatray Partner, Membership No. 023359) certifying the net worth of Acquirers and PAC.
15. Published copy of Public Announcement made on September 09, 2011, Public Notice dated December 26, 2012, First Corrigendum to PA dated January 24, 2014 and Second Corrigendum dated September 16, 2022
16. Due Diligence Certificate dated September 19, 2011.
17. SEBI Observation letter dated December 17, 2012 on the Draft Letter of Offer and SEBI letter dated September 9, 2022

10. DECLARATION BY THE ACQUIRERS AND PAC

- 10.1 Smt. Madhuri S Pitti and Pitti Electrical Equipment Private Limited (i.e. the Acquirers) and Shri Sharad B Pitti and Shri Akshay S Pitti (i.e. the PAC) jointly and severally accept full responsibility for the information contained in this Letter of Offer.
- 10.2 The Acquirers and the PAC shall be jointly and severally responsible for ensuring fulfillment of our obligations under the SEBI (SAST) Regulations and subsequent amendments thereof.
- 10.3 All information contained in this document is as on the date of the Public Announcement and reconfirmed as of the date of this LOF, unless stated otherwise.
- 10.4 As on the date of the Public Announcement and this LOF, in terms of Regulation 16(via) of the SEBI (SAST) Regulations, the Manager to the Offer does not hold any Shares. As required under Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations until the expiry of fifteen days from the date of closure of the Offer.

For and on behalf of Pitti Electrical Equipment Private Limited	
Sd/- Authorised Signatory	Sd/- Madhuri S Pitti
Sd/- Sharad B Pitti	Sd/- Akshay S Pitti
Place: Hyderabad Date: September 17, 2022	

Attached:

1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. ESC Mandate form (for physical shares)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

PITTI ENGINEERING LIMITED- OPEN OFFER

(formerly Pitti Laminations Limited)

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Acceptance with enclosures to any of the Collection Centres of Bigshare Services Private Ltd. as mentioned in the Letter of Offer)

OFFER OPENS ON	Friday, September 23, 2022
LAST DATE OF WITHDRAWAL	Friday, October 07, 2022
OFFER CLOSES ON	Wednesday, October 12, 2022

From

Folio No./DP ID No./Client ID No.:

To

The Acquirers:

Pitti Electrical Equipment Pvt. Ltd. – Pitti Engineering Ltd. Open Offer

C/ o **Bigshare Services Private Limited,**

Office No S6-2, 6th Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East),

Mumbai - 400 093.

Dear Sir,

Sub: **Open Offer to acquire 64,10,014 fully paid up equity shares of face value of ₹5/- each, representing 20.00% of the Share Capital of Pitti Engineering Limited (“Target Company”) by Smt. Madhuri S Pitti and Pitti Electrical Equipment Private Limited (Acquirers) along with Shri Sharad B Pitti and Shri Akshay S Pitti (PAC) at a price of ₹90/- per fully paid up equity share in terms of Regulation 11(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto (“SEBI (SAST) Regulations”)**

I/We refer to the Letter of Offer dated September 17, 2022 for acquiring the equity shares held by me/us in Pitti Engineering Limited.

I/We, the undersigned, have read the Public Announcement, Corrigendum to PA and Letter of Offer and understood their contents including the terms and conditions mentioned therein.

SHARES IN DEMATERIALIZED FORM

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in “Off-market” mode, duly acknowledged by the Depository Participant (“DP”) in respect of my Shares as detailed below:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I/We have executed an off-market transaction for crediting the Shares to the special depository account as per the details below

via a delivery instruction from my account with NSDL

via an inter-depository delivery instruction from my account with CDSL

Depository Name	Central Depository Services (I) Ltd.
DP Name	CHOICE EQUITY BROKING PRIVATE LIMITED
DP ID Number	12066900
Account Name	BSPL ESCROW A/C –PITTI ENGINEERING -OPEN OFFER
Beneficiary Account Number	05253731
ISIN	INE450D01021
Market	Off-Market
Date of Credit	

Shareholders should ensure that the Shares are credited in the aforementioned account before the close of business hours on October 12, 2022.

I/We note and understand that the Shares would lie in the special depository account until the time the Acquirers dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

----- **Tear along this line** -----

Acknowledgement Slip

PITTI ENGINEERING LIMITED – OPEN OFFER

Received from Mr./Ms. _____ a Form of Acceptance cum Acknowledgement for _____ Shares along with:

copy of depository instruction slip from DP ID _____ Client ID _____

_____ Share certificate(s) _____ transfer deed(s) under folio number(s) _____

for accepting the Offer made by the Acquirers.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	
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SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
<i>(In case the space provided is inadequate, please attach a separate sheet with details.)</i>					
Total No. of Equity Shares					

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

For all shareholders

I / We, confirm that our residential status for the purposes of tax is:

- Resident but ordinarily resident
- Resident
- Non-resident
- Non-resident Indian
- Foreign Company

I / We, confirm that our status is:

- Individual
- Firm
- Company
- Association of Person / Body of Individual
- Trust
- Any other - please specify _____

I / We, confirm that the shares tendered by me/us are held on *(select whichever is applicable)*:

- Capital / investment account
- Trade account

Where the shares are held on Capital / investment account, I / we, confirm that the shares tendered by me/ us are on *(select whichever is applicable)*:

- Long-term capital assets as defined under the Income Tax Act, 1961, purchased on _____
- Short-term capital assets under the Income Tax Act, 1961, purchased on _____

In case shares tendered comprise both long term capital assets and short term capital assets, then please provide a break- up of the same.

Non Residents including NRIs/OCBs/FIIs/Foreign Shareholders

I / We, have enclosed the following documents:

- Self attested copy of PAN card
- Nil / lower withholding tax certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the Income Tax Act, 1961
- Tax residency certificate if the shareholder intends to avail the beneficial provisions under a Tax Treaty
- Banker certificate certifying inward remittance
- SEBI Registration Certificate for FIIs.
- RBI approvals for acquiring Shares of Pitti Engineering Ltd. hereby tendered in the Offer.
- In case of NRIs, a declaration that the Shares were acquired while he/she was a resident of India _____
- Others please specify _____

For Resident shareholders

I / We, have enclosed the following documents:

- Self attested copy of PAN card
- Nil / lower withholding tax certificate from the Indian Income tax authorities u/s 195(3) or u/s 197 under the Income Tax Act, 1961
- Self declaration form in Form 15G / Form 15H, if applicable

Nil / lower withholding tax certificate from the Indian Income tax authorities (applicable only for interest payment, if any)

For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, 1961, copy of relevant Registration or notification (applicable only for interest payment, if any)

----- **Tear along this line** -----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Bigshare Services Private Limited,

Office No S6-2, 6th Floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road Andheri (East), Mumbai 400 093

Phone No: 022-62638200, Fax No: 022- 62638299

Contact person: Mr. Swapnil Kate,

Email: openoffer@bigshareonline.com

For FIIs:

Foreign Institutional Investors enjoy exemption from tax deduction at source on capital gains under Section 196D(2) of the Income-tax Act, 1961 and hence no tax shall be deducted on amount payable to FIIs subject to receipt of an undertaking from them stating their residential status and that it does not have a permanent establishment in India, the amount received by them as a part of the Offer constitutes capital gains and does not constitute business income for them and that similar gains have been taxed as capital gains by the tax authorities in India in the past.

FIIs to confirm if the above is true Yes No

I/We confirm that the equity shares of Pitti Engineering Ltd., which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the Shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, share certificate(s)/Shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below. In case I have tendered my Shares in dematerialized form, I authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers is hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For Shares that are tendered in demat form, the Bank account as obtained from the beneficiary position download to be provided by the depositories will be considered and the warrants will be issued with the said Bank particulars, and not any details provided herein.

Name of the Bank		Branch	
Account Number		Savings/Current/(Others: please specify)	

Yours faithfully,

Signed and Delivered

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder _____

Phone: _____ Email: _____

Place:

Date:

The details of the collection centres are as follows:

Sr. No.	Branch	Address	Contact Person	Tel no.	Fax no.	Mode
1	Mumbai	Bigshare Services Pvt.Ltd Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai - 400 093	Mr. Swapnil Kate	022- 62638200	022- 62638299	Post & Hand Delivery
2	Ahmedabad	Bigshare Services Pvt. Ltd. A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad - 380 009	Mr. Ramesh Nair	079- 40024135	NA	Hand Delivery
3	Hyderabad	Bigshare Services Pvt. Ltd. 306 Right Wing, Amrutha Ville, Opp.Yasodha Hospital, Somajiguda, Raj Bhavan Road, Hyderabad - 500 082.	Mr. Amarendra	040-2337 4967	NA	Hand Delivery
4	New Deli	Bigshare Services Pvt. Ltd. 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019	Mr. Mukesh Kumar	011-42425004	NA	Hand Delivery

Collection Timings for all the locations mentioned above will be 10.00 A.M. to 1.00 P.M. & 2.00 P.M. to 4.30 P.M. during Monday to Friday only and on Saturday 10.00 A.M. to 1.00 P.M.

INSTRUCTIONS:

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRERS OR TO THE MANAGER TO THE OFFER

- (1) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.
- (2) **Shareholders holding registered physical Shares** should submit the Form duly completed and signed in accordance, by the holders of the Shares, along with the original equity share certificate(s) and valid equity share transfer form(s) duly signed as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. Please do not fill in any other details in the transfer deed.
- (3) **Shareholders holding Shares in dematerialised form** should submit the Form duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Shares, as per the records of the Depository Participant ("DP").
- (4) **In case of shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
- (5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
- (6) **Persons who own physical Shares (as on the Specified Date or otherwise) but are not the registered holders** of such Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer together with the original contract note issued by the broker, the share certificate(s), the transfer deed(s) with the buyers details not filled in and other relevant documents. In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar at their offices as mentioned above.
The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.
In order to avail Electronic Clearing Service ("ECS") for receipt of consideration, the attached ECS mandate form needs to be duly filled in and signed by the Sole/First Shareholder and submitted with the Form before the closure of the Offer.
- (7) **Non-resident Shareholders** should enclose copy(ies) of permission received from Reserve Bank of India to acquire Shares held by them in the Target Company. OCBs (as defined under FEMA) are requested to seek a specific approval of the Reserve Bank of India for tendering their shares and a copy of such approval must be provided along with other requisite documents.
- (8) **Non-resident Shareholders** are advised to refer to the clause on taxation in Section 8 of the Letter of Offer regarding important disclosures regarding the taxation of the consideration to be received by them.
- (9) NRIs, OCBs and foreign shareholders are required to furnish Banker's Certificate certifying inward remittances of funds for acquisition of shares of the Target Company.
- (10) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
- (11) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
 - (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
 - (c) No objection certificate from any lender, if the Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.

FORM OF WITHDRAWAL
PITTI ENGINEERING LIMITED- OPEN OFFER
(formerly Pitti Laminations Limited)

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form of Withdrawal with enclosures to any of the Collection Centres of Bigshare Services Private Ltd. as mentioned in the Letter of Offer)

OFFER OPENS ON	Friday, September 23, 2022
LAST DATE OF WITHDRAWAL	Friday, October 07, 2022
OFFER CLOSES ON	Wednesday, October 12, 2022

From

Folio No./DP ID No./Client ID No.:

To

The Acquirers:

Pitti Electrical Equipment Pvt. Ltd. – Pitti Engineering Ltd. Open Offer

C/ o Bigshare Services Private Limited,

Office No S6-2, 6th Floor, Pinnacle Business Park,

Next to Ahura Centre, Mahakali Caves Road,

Andheri (East),

Mumbai - 400 093.

Dear Sir,

Sub: **Open Offer to acquire 64,10,014 fully paid up equity shares of face value of ₹5/- each, representing 20.00% of the Share Capital of Pitti Engineering Limited (“Target Company”) by Smt. Madhuri S Pitti and Pitti Electrical Equipment Private Limited (Acquirers) along with Shri Sharad B Pitti and Akshay S Pitti (PAC) at a price of ₹90/- per fully paid up equity share in terms of Regulation 11(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto (“SEBI (SAST) Regulations”)**

I/We refer to the Letter of Offer dated September 17, 2022 for acquiring the equity shares held by me/us in Pitti Engineering Limited.

I / We, the undersigned have read the aforementioned Public Announcement, corrigendum to PA and the Letter of Offer and understood their contents including the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our Shares from the Offer and I / we further authorize the Acquirers to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our Shares from the Offer, no claim or liability shall lie against the Acquirers/ Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. Friday, October 07, 2022 before 3:00 p.m.

I / We note the Acquirers / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the Shares held in physical form and also for the non-receipt of Shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) / Shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for non-receipt of shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

----- Tear along this line -----

Acknowledgement Slip

PITTI ENGINEERING LIMITED – OPEN OFFER

Received from Mr./Ms. _____ residing at _____ a Form of Withdrawal for _____ Shares along with:

copy of depository instruction slip from DP ID _____ Client ID _____

copy of acknowledgement slip issued when depositing dematerialized Shares

copy of acknowledgement slip issued when depositing physical Shares

for withdrawing from the Offer made by the Acquirers.

Stamp of Collection Centre:	Signature of Official:	Date of Receipt:
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I / We hold the following Shares in dematerialized form and had executed an off-market transaction for crediting the Shares to the “BSPL ESCROW A/C – PITTI ENGINEERING- OPEN OFFER”. Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our Shares have been tendered are as follows:

DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I / We note that the Shares will be credited back only to that depository account, from which the Shares have been tendered and necessary standing instructions have been issued in this regard.

I / We confirm that the particulars given above are true and correct.

In case of dematerialized Shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger Folio No(s)	Certificate No(s)	Distinctive No(s)		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
<i>(In case the space provided is inadequate, please attach a separate sheet with details.)</i>					Total No. of Equity Shares

	Full Name(s) of the Shareholders	Signature
First/Sole Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		

Address of First/Sole Shareholder _____

Phone: _____ Email: _____

Place: _____

Date: _____

INSTRUCTIONS

- (1) **Shareholders desirous of withdrawing their acceptances tendered in the Offer can do up to Friday, October 07, 2022, being 3 (three) working days prior to the Closing of the Offer.**
- (2) The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed along with the copy of the acknowledgment slip issued at the time of submission of the Form of Acceptance-cum-Acknowledgment.
- (3) **All queries** pertaining to the Offer may be directed to the Registrar to the Offer.
- (4) **In case of Shares held in joint names**, names should be filled up in the same order in the Form and in the transfer deed(s) as the order in which they hold Shares in the Target Company, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Counter Offer.
- (5) **In case where the signature is subscribed by thumb impression**, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.
- (6) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of Shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.
- (7) **All the Shareholders** should provide all relevant documents which are necessary to ensure transferability of the Shares in respect of which the withdrawal is being sent. Such documents may include (but not be limited to):
 - (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
 - (b) Duly attested power of attorney if any person apart from the shareholder has signed withdrawal form or transfer deed(s).

----- **Tear along this line** -----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Bigshare Services Private Limited,
 Office No S6-2, 6th Floor,
 Pinnacle Business Park, Next to Ahura Centre,
 Mahakali Caves Road Andheri (East), Mumbai 400 093
 Phone No: 022-62638200, Fax No: 022- 62638299
 Contact person: Mr. Swapnil Kate
 Email: openoffer@bigshareonline.com

MANDATE FORM
ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)

Pitti Electrical Equipment Private Limited, 6-3-648/2, Somajiguda, Rajbhavan Road, Hyderabad – 500 082	Smt Madhuri S Pitti, 6-3-648, Moti Bhavan, Somajiguda, Hyderabad – 500082
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Dear Sirs:

I am pleased to participate in the Electronic Clearing Services (ECS) introduced by Reserve Bank of India (RBI). The particulars of my Bank Account to which the payment of Offer consideration may be electronically credited are as follows:

1. Name of Sole/First Holder of shares _____
2. Folio No. _____
3. Name of the Bank _____
4. Branch address of Bank to which consideration Amount to be credited _____
5. 9-digit Code Number of the Bank and Branch appearing on the MICR cheque issued by your Bank. This is mentioned on the MICR band next to the cheque number.
(Please attach blank “cancelled” cheque or a Xerox copy thereof).
6. Account Type (tick one) Savings Current Cash Credit
7. Ledger Folio of your Bank Account (If any, appearing on your cheque book) _____
8. Account No. (as appearing on your cheque book) _____

I hereby declare that the particulars given above are correct and complete. If the payment of Offer consideration is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the Company responsible.

Date:

.....

Signature of Sole/First Holder

In case the shareholder is not in a position to give blank “cancelled” cheque or a Xerox copy thereof, a certificate of the shareholder’s Bank may be furnished as under:

Certificate of the Shareholder’s Bank

(To be submitted only if blank “cancelled” cheque or a Xerox copy thereof is not enclosed)

Certified that the particulars furnished above are correct as per our records.

Bank’s Stamp:

Date:

Signature of the Authorized Official of the Bank

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