PITTI
ENGINEERING SOLUTIONS
— Since 1983 —

PITTI ENGINEERING LIMITED
(Formerly Pitti Laminations Limited)

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Website : www.pitti.in
CIN : L29253TG1983PLC004141

ISO 9001: 2008
World Class Quality Systems

September 28, 2018

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

Scrip Code: 513519

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Code: PITTIENG

Dear Sir,

Sub: Submission of Annual Report for the financial year 2017-18
****

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed a copy of the Annual Report for the financial year 2017-18 approved and adopted by the members of the Company at the 34th Annual General Meeting held on 24th September, 2018 at the West Minister Hall, The Central Court Hotel, Lakdi-ka-pool, Hyderabad.

The copy of the Annual report is also available on the company's website www.pitti.in.

We request you to take the same on record.

Thanking you.

Yours faithfully,
For Pitti Engineering Limited

PITTI ENGINEERING LIMITED (Formerly Pitti Laminations Ltd.) Hyderabad 500 082 Somajiguda

Mary Monica Braganza
Company Secretary & Compliance Officer
FCS 5532

Pitti Engineering Limited
(Formerly Pitti Laminations Limited)

MEETING THE ENGINEERING NEEDS OF TOMORROW

ANNUAL REPORT | 2017-18

PITTI
ENGINEERING SOLUTIONS
Since 1983

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Meeting the Engineering Needs of Tomorrow by Evolving into a New Pitti

The Company is focused on transformation through technology and innovation.

Read more on page 12

Meeting the Engineering Needs of Tomorrow by Scaling Capacities with Ease

We made significant investments in manufacturing facilities to build the required infrastructure to fuel future growth plans.

Read more on page 18

Forward-looking Statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

We believe in a higher, more productive existence. We do not merely want to sell innovative, advanced-technology products and services. We want to traverse the extra mile to serve our customers better.

This determination has led us to become an integrated engineering solutions provider offering end-to-end, value-added products under one roof. To reflect this evolution and our future focus, we have changed the name of the Company from Pitti Laminations Limited to Pitti Engineering Limited (PEL).

Pitti has accelerated pace and grown in scale, presence, technology leadership and business acumen. We now have multiple engineering and manufacturing capabilities comprising castings, steel fabricated parts, machined components and stator and rotor assemblies, with a possibility of venturing into forgings.

We aim to ensure our engineering expertise is used to deliver solutions that are determined and make economic sense. Our focus is not just on solving the challenges of today, but also on meeting the engineering needs of tomorrow.

In the reinvented Pitti, we are creating disruptive innovation cells to introduce products that graduate customers towards a better tomorrow. This will evolve our personality into a sophisticated and precision-technology company of the future and fulfil our promise of value creation for our stakeholders.

2017-18 Highlights

NET REVENUE 33.03%

₹380.32 CR

EBITDA 62.73%

₹54.58 CR

PROFIT BEFORE TAX (PBT) 218.55%

₹16.31 CR

EPS 111.00%

₹4.22

PITTI ENGINEERING AT A GLANCE

Pitti Engineering Limited (PEL) is a leading manufacturer of electrical steel lamination, motor cores, sub-assemblies, die-cast rotors, press tools and machining of metal components. These products find application in basic capital goods products, such as motors and alternators, which are themselves quintessentially used in any process engineering.

PEL services the needs of power generation - thermal, hydro and wind; transportation - diesel and electric locomotives and off-high way vehicles; industrial motors - low and high voltage motors, aerospace, automobile, earth moving and mining, oil & gas and other infrastructure industries and also the consumer durable white goods sector. Any rotating device that works on electricity uses PEL products.

PEL IS

India's largest manufacturer of electrical steel laminations, motor cores, sub-assemblies, die-cast rotors and press tools

Largest exporter of laminations from India

A fully integrated player that has a foundry with associated machine shops

Integrated operations - from tooling to laminations to castings and machining, leading to extensive value-addition and one-stop customer solutions

Provider of total solutions - on casting and machining niche products

One of the few suppliers in the world with tooling, laminations, casting and machining capabilities **under one roof**

OPERATIONAL HIGHLIGHTS

Company name changed from Pitti Laminations Limited to **Pitti Engineering Limited**

Plant 4 set up at Hyderabad with machining capabilities of large metal components; commercial production was started in August 2017

Started **new facility in Aurangabad** with both laminations and machining capabilities which began operations in January 2018

Undertook **modernisation and technology up-gradation** initiatives in the new Aurangabad facility

Maintained a **robust order book**

Commercial production for GE India, a part of Indian Railways project, was established and ramped up

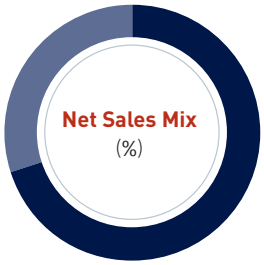
2017-18 Key numbers

3
MANUFACTURING PLANTS

14,555 MT*
DOMESTIC VOLUME

4,244 MT*
EXPORT VOLUME

* Lamination sales volume including job work.



Export Sales	29
Domestic Sales	71

Key Products & Services

ELECTRICAL STEEL LAMINATIONS

Produces laminations from 50 mm to 1,250 mm outer diameter

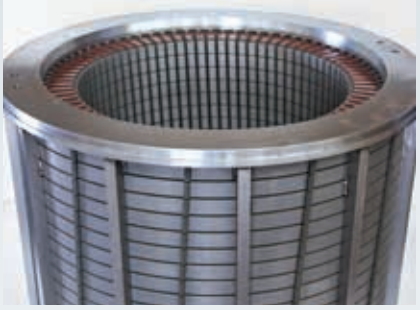
Spacer vent and glued

DIE-CAST ROTORS & ASSEMBLIES

Skew angle rotors up to 540 mm outer diameter and 1,000 mm height including end rings and fins

Riveting or bolting the rotor stacks under hydraulic pressure

STATOR CORE ASSEMBLIES



Assemblies up to a diameter of 2,000 mm with circular and segmental laminations and cleating/welding/riveting of assemblies

Application/End Market

1 2 3 4 5 6 7 8

ROTOR CORE ASSEMBLIES

Supplies ready-to-use assembled rotor cores with stacking under hydraulic pressure

POLE ASSEMBLIES

Assembled pole bricks with stacking under hydraulic pressure and welding/core bolting with end castings

Application/End Market

1 2 3 4 5 6 7 8

CASTING & MACHINE COMPONENTS

Machine shop that can handle range of precision machined components for different applications

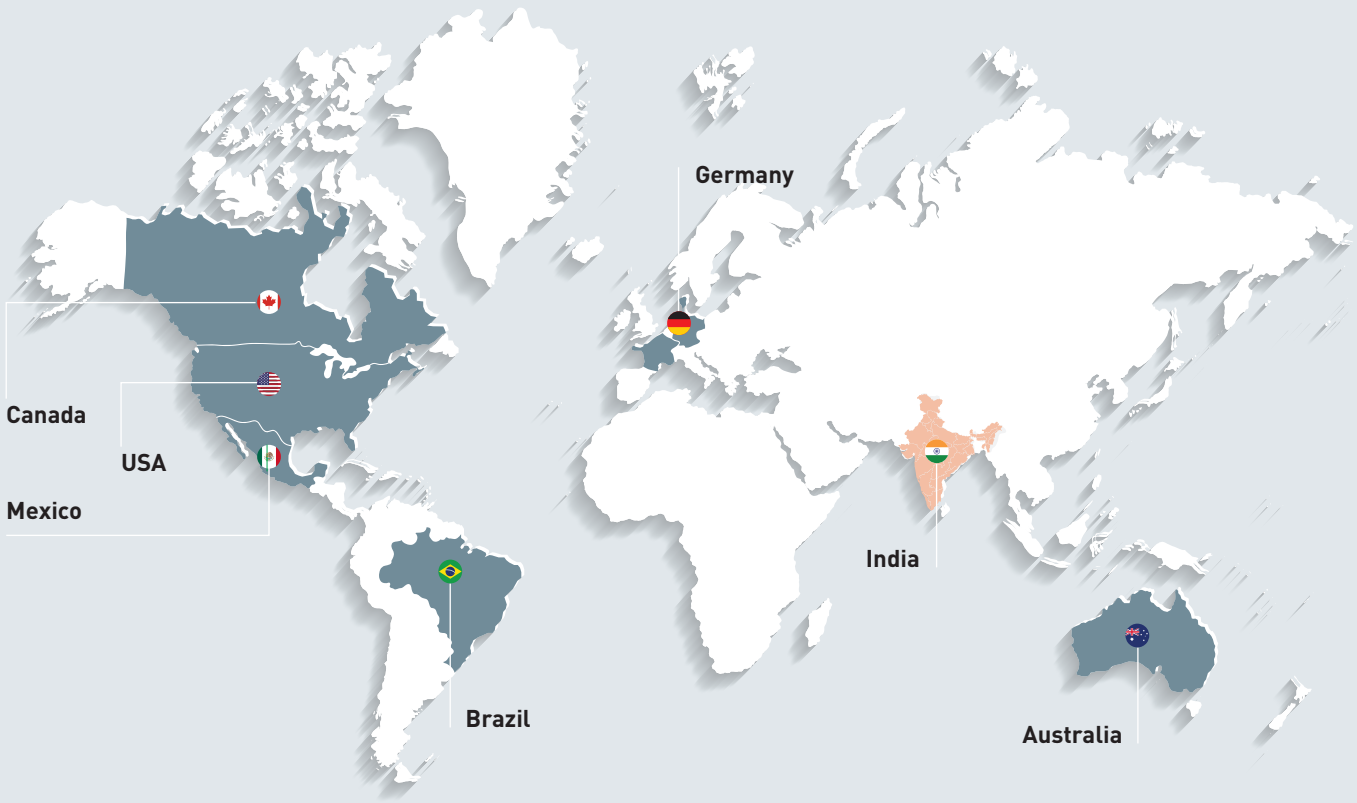
Application/End Market

1 2 3 4 5 6 7 8 9

Application/ End Market

1 Power Generation
2 Transportation
3 Mining
4 Industrial Motors
5 Oil & Gas
6 Locomotives
7 Aerospace
8 Automobile
9 Earth Moving and Mining

GLOBAL PRESENCE



Locations of overseas customers

Location of manufacturing facilities

KEY MILESTONES

2017

Re-organised manufacturing facilities by setting up new plant at Aurangabad for lamination and machining and in Hyderabad for machining of large metal components and re-orienting existing plant at Hyderabad for effective and efficient production

2016

Signed a multi-year contract with GE for supply of products worth ₹500 crore to be used in Indian Railways locomotives

2014

TPG approval for manufacture of NDT, 3-year agreement for T4 parts signed with GE

2013

Acquisition of foundry units for manufacturing of iron & steel castings up to the weight of 3.5 MT (single piece) by the promoter group

2012

Lamination capacity expanded to 32,000 TPA

2007

Expanded capacity to 25,000 TPA

2004

Expanded capacity to 10,000 TPA

1996

Expanded capacity to 6,000 TPA

1987

Started production with capacity of 2,500 TPA

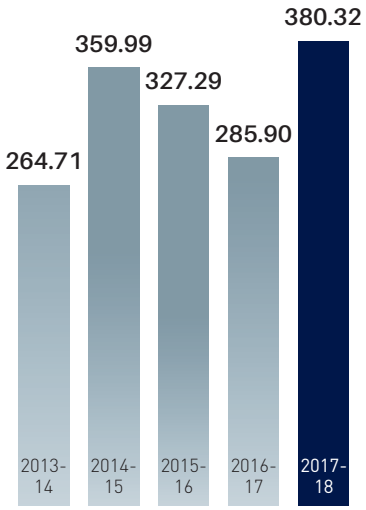
Journey from being a laminations manufacturer to an integrated engineering solutions provider.

FINANCIAL HIGHLIGHTS

Profit and Loss Metrics

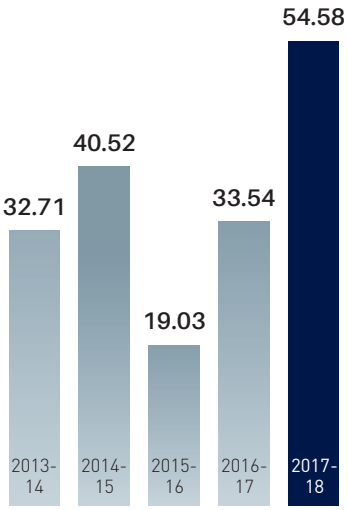
NET REVENUE FROM OPERATIONS
(₹ in crore)

₹380.32 CR



EBITDA*
(₹ in crore)

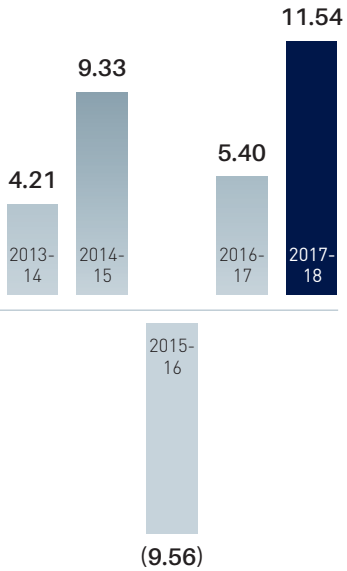
₹54.58 CR



* EBITDA = PBT + Depreciation + Finance Cost - Other Income

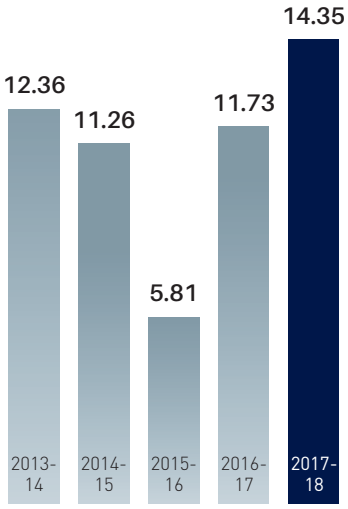
TOTAL COMPREHENSIVE INCOME
(₹ in crore)

₹11.54 CR



EBITDA MARGIN
(%)

14.35%



Robust revenue growth was driven by improved domestic as well as export demand

DOMESTIC SALES 44.60%

₹266.30 CR

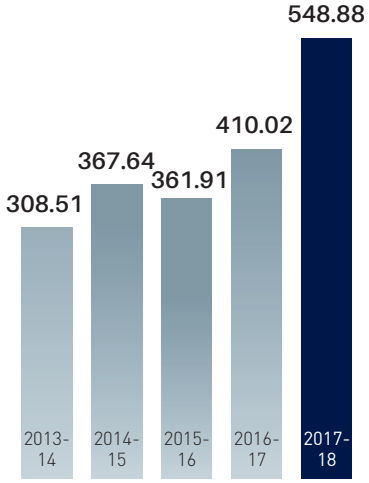
EXPORT SALES 12.03%

₹110.76 CR

Balance Sheet Metrics

TOTAL ASSETS
(₹ in crore)

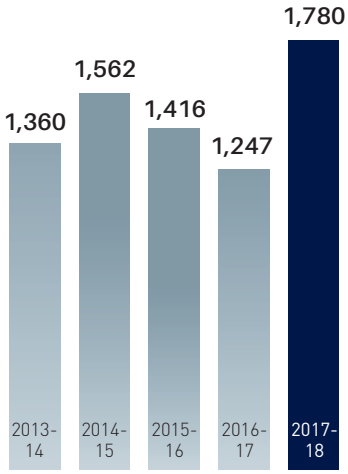
₹548.88 CR



Social Metrics

LIVES IMPACTED*
(No.)

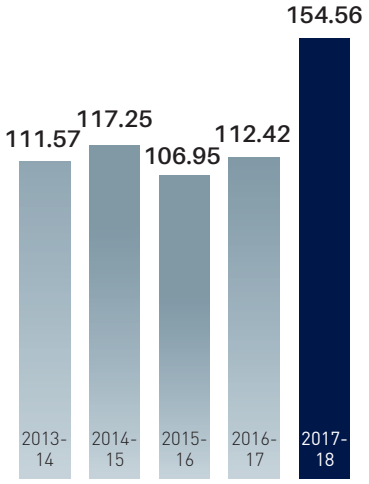
1,780



* includes direct and indirect workforce

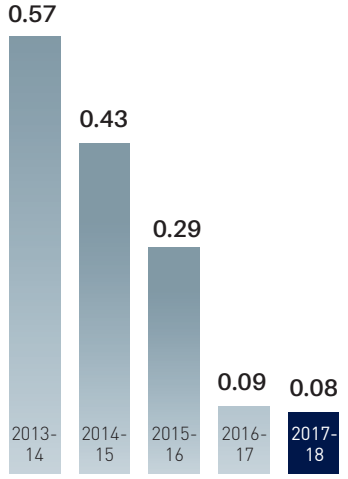
NET WORTH
(₹ in crore)

₹154.56 CR



CSR SPEND
(₹ in crore)

₹0.08 CR



CHAIRMAN & MANAGING DIRECTOR'S MESSAGE

POSITIONED FOR SUSTAINABLE GROWTH

Dear Shareholders,

It gives me immense pleasure to present to you the 2017-18 Annual Report. In the year gone by, we boosted our focus on creating enduring value for our business by building an enterprise that is increasingly agile and future-ready. We also addressed the growing national opportunity by turning our focus on new businesses aligned with India's development story.

The Indian economy showed early signs of growth post various initiatives and reform measures undertaken by the Central Government. We believe that public and private investment spending to drive capex growth will be critical to India's growth outlook. The Government has taken measures to boost spending by increasing capex allocation towards infrastructure projects in the Budget.

The Government is also taking various initiatives to unlock trapped investments in the core and infrastructure projects, revive investments from the private sector by reforming policy, improving the ease of doing business and accelerating project-related activities. Post the regime change in India's federal Government, there have been firm signals of the development agenda and pushing of reforms required to revitalise the economy.

Over the past few years, PEL has made a conscious effort at the products and services development level to become a preferred turnkey supplier of a range of goods to MNCs. We the market leaders in our segment in India and is the only integrated player in this space in the world.

We changed our name from Pitti Laminations Limited to Pitti Engineering Limited. This change is a reflection of our enhanced capabilities, development of new products encompassing the entire engineering value chain and the added capacities and capabilities to serve existing and new customers

THE YEAR THAT WAS

We successfully started operations in the Aurangabad plant in January 2018. The new facility is expected to contribute meaningfully to the top line. The plant is currently operating at 1,000 MT per month and is slated to reach 1,250 MT by the end of Q1 201 9. Further, our commercial production for GE India, a part of the Indian Railways project, is running as per schedule and is contributing

We constantly explore opportunities to introduce value-added product lines and provide cutting-edge solutions to clients, thus improving revenue streams.

meaningfully. We have a reliable track record nationally and internationally. Our wide customer spectrum enables us to grow consistently, despite volatilities in certain sectors. Our prominent customers include ABB, Siemens and GE Group, among many others. We are investing in enhancing capacities and capabilities to accomplish our short and long-term growth ambitions. At the same time, we are building a prudent cost structure. Considering our long-term objectives to maintain sustainable growth and create shareholder value, we continue to build on our bequest of engineering skills to scale greater heights. We are hence enhancing our reach, expanding production and increasing market share.

NEW PITTI

PEL's offerings have evolved based on the core business, strongly rooted research and industry-led innovation. The name change was planned to align with the advancement in our skills and capabilities to cater to a varied range of basic engineering products for developing an integrated supply chain for our customers.

We constantly explore opportunities to introduce value-added product lines and provide cutting-edge solutions to clients, thus improving revenue streams. With the objective of making our growth profitable and sustainable, we have diversified into businesses which represent national priorities and demonstrate a robust operating model. Our strategy is to enrich and diversify our product portfolio to tap into these growing opportunities.

PEL is delivering on its next-level strategy to unlock value and post attractive shareholder returns. 2017-18 was a transition year, in which we streamlined and strengthened our portfolio and operations. The Company's offerings have evolved around its core business, strongly rooted research and industry-led innovation.

FINANCIAL PERFORMANCE

During the year, we posted comprehensive income of ₹11.54 crore and net revenue from operation of ₹380.32 crore against ₹5.40 crore and ₹285.90 crore, respectively, for the previous fiscal. EBITDA for the year stood at ₹54.58 crore compared to ₹33.54 crore, showing a growth of 62.73%. We continued to improve on the leverage ratio. The debt equity now stands at 1.66 against 1.73 in the previous fiscal. Our efforts for the past few years in becoming an integrated and key supplier to its global customers have resulted in higher revenues and better margins.

This strong performance is well-supported by our integrated business model and world-class capacities built through proactively absorbing new technology and modernising processes. This has helped us to competitively bid and increase our conversion rate.

WAY FORWARD

We remain positive on India's current outlook as promising Government reforms are expected to facilitate domestic investment and growth in the coming years. Looking ahead, we will continue to serve our customers with quality and commitment. These values will remain the hallmark of all our offerings and will enable us to achieve a long and meaningful relationship with each of our customers.

In closing, I would like to thank our team for their passion, promise and ongoing pursuit of excellence. We are also thankful to our customers, bankers and financial institutions for their continuous support. With this backing, we will continue to serve as a trusted partner to all our stakeholders by responsibly taking the business to a new orbit of growth.

Regards,

Sharad B Pitti
Chairman & Managing Director

STRATEGIC PRIORITIES

PEL has remained focused on generating higher returns by directing its investments smartly in the right place to maximise shareholder value. It is de-risking itself from the challenges of being concentrated in a specific sector and creating niche markets for itself. This will enable the Company to generate higher returns and harvest the assets that have been created.

Our key strategies focus on building a sound and robust product portfolio across categories and explore growth opportunities locally and globally.

- **Enhance our focus on value-added machine casting and assemblies to leverage the domestic market opportunities**
- **Include additional products in the portfolio, and identify new growth engines – fabricated and forged product – for cross-selling opportunities and broadening our customer base**
- **Leverage domestic opportunities in infrastructure and capital goods sector, specially from the railways, wind energy, mining and oil & gas sectors**
- **Capacity expansion, product development, collaboration with stakeholders and gaining execution experience to be pursued in various business verticals to enhance share of industry segment in turnover mix**
- **Optimal utilisation of existing assets and capabilities to do incrementally new things, and implement new processes to increase productivity and enhance efficiencies**
- **Technology plays a key role in enabling transformation at PEL. Information technology gives it a competitive edge and is an important factor in our future-focused business strategy. Our world-class capacities built through proactively absorbing new technology and modernising processes remain our enablers for growth**

2018-19 Focus Areas

INDUSTRIAL MOTORS

The new IE-3 energy efficiency norms introduced by the Government open up a huge opportunity as the industry opts for new energy-efficient motors. PEL, meanwhile, is also ready for IE-5 efficiency standards.

ELECTRIC VEHICLES

There has been a gradual increase in the number of electric vehicles on the streets and it is expected that in few years more models will go into mass production. The magnitude of government subsidies, expansion of the charging network, and falling battery prices (due to technological progress) are the key drivers of growth in the electric car market. As the thrust towards energy-efficient products increases, the lamination business will grow, especially in case of electric vehicles (EV) – as laminations are the core component of electric motors. As the EV segment picks up momentum, the Company is well positioned to get the first-mover advantage helping it to move to the next phase of growth.

LIFT IRRIGATION

These projects require special heavy duty and customised motors. PEL is currently supplying to Siemens which is making the pumps for the projects like the Kaleshwaram Lift Irrigation scheme.

RAILWAYS

The Government of India is focused on investing on railway infrastructure by making investor-friendly policies. In the rail segment, the New Metro Policy 2017 opened a window for private investments in several Metro operations by making PPP mandatory for availing central assistance for new Metro projects. In addition, private investment and other innovative forms of financing for metro projects were made compulsory to meet the huge demand for capital-intensive high-capacity projects. For railways, the capital expenditure outlay increased by 12% to ₹1.46 lakh crore. With favourable regulatory developments, importance to indigenisation and an increasing thrust towards infrastructure projects, the Company is well-placed to cater to the various industrial segments.

POWER

The demand for more power as the economy and the industry grow, along with signs of revival in wind power, are positive signs. PEL recently commenced manufacturing of gear boxes for the wind mills for Siemens, which is presently imported from Germany. PEL's product is an import substitute – high precision and manufactured at PEL's Hyderabad facility under a completely temperature-controlled environment to achieve 22-microns tolerance.

MEETING THE ENGINEERING NEEDS OF TOMORROW
BY EVOLVING INTO A NEW PITTI

PEL's products are used by energy producers (whether thermal, hydel or wind) and consumers (all consumer durables), in off-highway electric trucks (of Komatsu), railway locomotives (in India and globally), industrial motors, medical diagnostic equipment, lift irrigation and river linking projects, and aeronautic wing control motors. A strong order book and long-standing association with customers coupled with a strategically located new facility gives us confidence that we are well-positioned to capitalise on the upturn in the markets.

INTEGRATED OPERATIONS

We are India's only end-to-end product and service provider in the electrical laminations segment with strong presence in tooling, casting, lamination and machining. The integrated presence helps us maintain complete control of the product quality, ensure value at all stages of production and provide great comfort to our clients in terms of dealing with multiple suppliers. This integrated presence helps our customers depend on us.

PRODUCT DIVERSIFICATION

Leveraging our strong engineering skillset, we have expanded into more value-added product lines which provide us with a new revenue stream and decreases the impact of business cyclicality. We offer customers the convenience of being a one-stop-shop with inhouse availability of products, accessories and technical services.

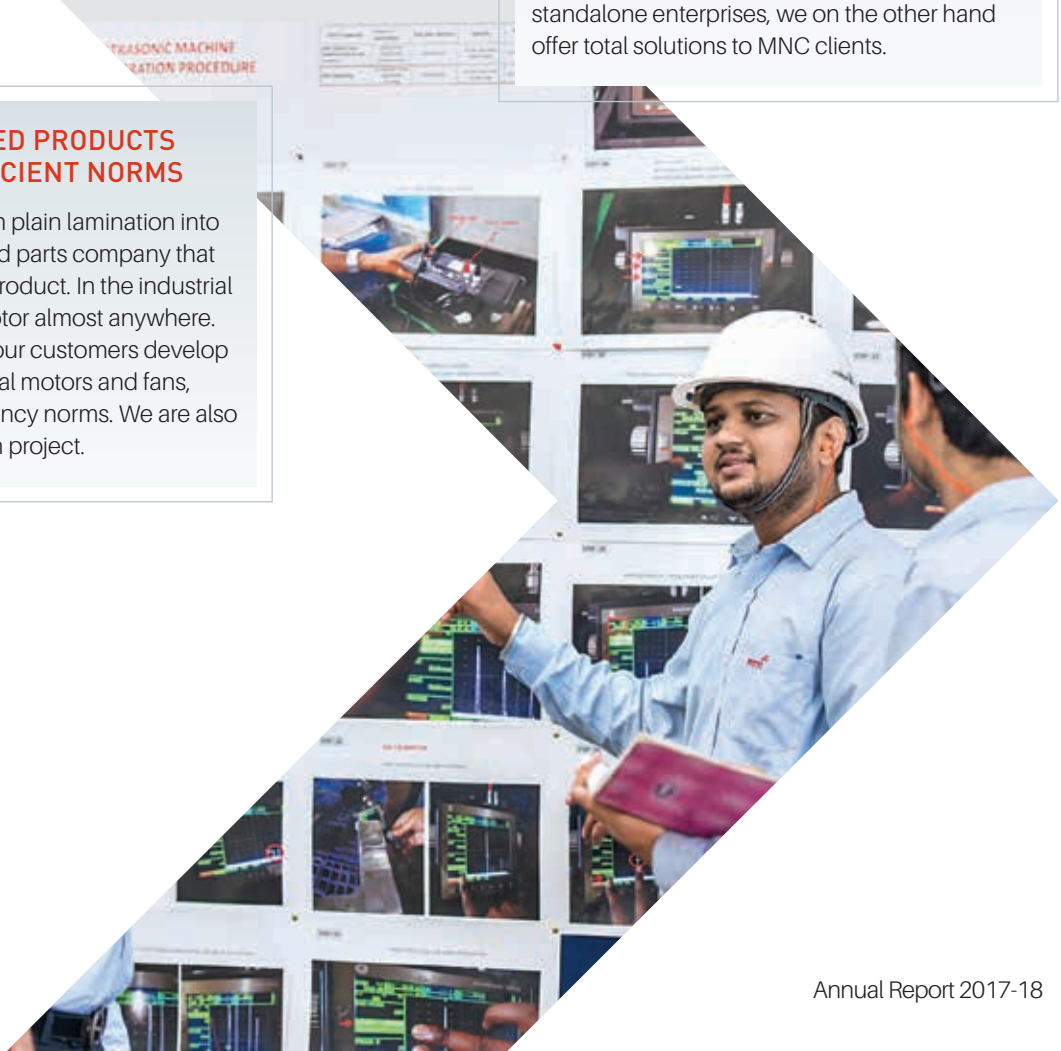
We have set the stage for a consolidated enterprise which has multiple engineering capabilities – machining, sheet metal, castings, cooling, forgings and fabrications. We have been the direct supplier to OEMs, focused towards infrastructure and building machine parts for locomotives, transmission, cement mixers, compressors, wind turbines and mining machinery products. While most producers involved in foundry, casting or machining are standalone enterprises, we on the other hand offer total solutions to MNC clients.

GEOGRAPHICAL RELOCATION

We have set up our own facility at Aurangabad. The presence in Maharashtra has brought us close to the customers as well as raw material sources. This will significantly reduce our logistics and operational costs.

OFFERING IMPROVED PRODUCTS WITH ENERGY-EFFICIENT NORMS

We are transforming from plain lamination into a complicated assembled parts company that puts together a unique product. In the industrial sector, one can use a motor almost anywhere. So now, we are helping our customers develop new products, in industrial motors and fans, with better energy-efficiency norms. We are also working on a lift irrigation project.



MEETING THE ENGINEERING NEEDS OF TOMORROW
THROUGH STRONG OPPORTUNITY LANDSCAPE

PEL's business in the domestic market spans different sectors such as power generation, transportation, industrial motors, locomotives, aerospace, automobile, earth moving and mining, oil & gas and infrastructure industries. The growth of these industries is directly linked with the growth of the manufacturing sector of the country.

The Indian engineering sector has witnessed remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure segments, is of strategic importance to India's economy. Growth in the sector is driven by various sub-sectors such as infrastructure, power, steel, automotives, oil & gas and consumer durables.

KEY GOVERNMENT INITIATIVES

The total capital outlay for the infrastructure sector has been budgeted to increase by 20.8% to ₹5.97 lakh crore in 2019

Allocation of ₹3,800 crore and ₹4,900 crore for the Deendayal Upadhayaya Gram Jyoti Yojna (DUGJY) and Integrated Power Development Scheme (IPDS), respectively

Push towards ensuring 24-hour electricity access to all rural households under the 'Saubhagya' and the 'DUGJY' schemes is likely to boost energy demand to some extent as well as improve the quality of life for rural households

The Government's increased outlay for the rural and agrarian segment is expected to lead to higher disposable incomes and demand for the automotive sector, especially in 2W, Passenger Vehicles (PV) and tractor; these together account for 70% of domestic OEM demand for components

Capital outlay in railways has been increased to ₹53,060 crore which includes doubling of 18,000 km of railway lines and tripling and quadrupling of 5,000 km of lines, electrification of 4,000 km of railway lines and manning over 4,000 unmanned level crossings

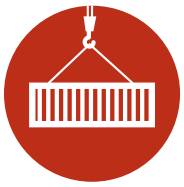
The Government has been seriously infusing natural gas to complement the existing fuel mix and spread the natural gas network across the country. According to the Petroleum and Natural Gas Ministry, India's oil exploration and production sector will see investments worth US$ 40 billion over the next four to five years. With favourable regulatory developments, importance to indigenisation and an increasing thrust towards infrastructure projects, the Company is well-placed to cater to the various industrial segments.

India's engineering exports surpassed the export target and hit US$ 76.2 billion during 2017-18, recording 16.81% year-on-year growth. The share of engineering exports in India's total merchandise exports was estimated at 25.16% during 2017-18.

The current Government's pro-business sentiment is shaping its reforms focus on regulatory easing, infrastructure development, logistics improvements through rail, road and sea cargo, and expanding FDI limits, all of which bodes well for foreign investors. The sector will benefit from the Government's plans to significantly increase allocation towards the rural economy and the infrastructure sector, especially development of roads and highways, including the Bharatmala project and those in the rural areas.

EXPORT OPPORTUNITY

Increasing urbanisation is contributing to the growth of the locomotive industry. Expansion of rail networks in majority of developed as well as developing nations and increasing apprehension regarding environmental sustainability has had a positive impact. Significant investment by authorities across the globe in the development of railway infrastructure for freight and high-speed trains has also given impetus to the growth. The diesel locomotive market is also growing significantly.



With favourable regulatory developments, importance to indigenisation and an increasing thrust towards infrastructure projects, we are well-placed to cater to various industrial segments.

MEETING THE ENGINEERING NEEDS OF TOMORROW
BY EXPANDING PRODUCT OFFERINGS

Our operations range from tooling and laminations to castings and machining, leading to extensive value addition and providing one-stop customer solutions. Our wide range of products from 50 mm to 1,250 mm single piece electrical steel laminations allows us to cater to niche customer requirements – diversifying revenue streams and de-risking the business from single product dependence.

At PEL, we have a clear and focused strategy to secure leadership in key areas and emerge as a leading player in identified geographies. In the quest for new product launches, backed by strong R&D support and management vision, our differentiated approach has helped us carve a niche in the engineering space.

LAMINATION ASSEMBLIES

Brief overview

- Cold rolled non-oriented silicon steel is used for manufacture of stator and rotor laminations in thickness varying from 0.35 to 1 mm
- Punches and dies are made of high-carbon, high-chromium steel; hardened and precision machined for consistent quality
- Tool-room is equipped with state-of-the-art machines to manufacture hardened and precision ground punches and dies

Competitive advantages

- Electrical motors are used extensively in every sphere and their use is poised to grow year-on-year
- We are the only company that provides specialised stators cleated and welded directly for winding by the motor manufacturers
- We provide assembled rotors or die-cast rotors which directly go into assembly in the motor

CASTING

Brief overview

- Operating through our group company Pitti Castings, a state-of-the-art eco-friendly and ISO-certified foundry
- Manufacture ductile iron, gray iron and plain carbon and stainless-steel castings
- Have a capacity of 1,000 MT per month for iron and 800 MT per month of steel

Competitive advantages

- Expertise in making critical and metallurgically challenging grades of iron and steel castings, e.g. sub-zero temperature ductile iron grades for the windmill application
- Capability to process various grades of iron, steel and alloy steels
- Blue-chip clientele geographically spread across countries such as Canada, the UK and the US

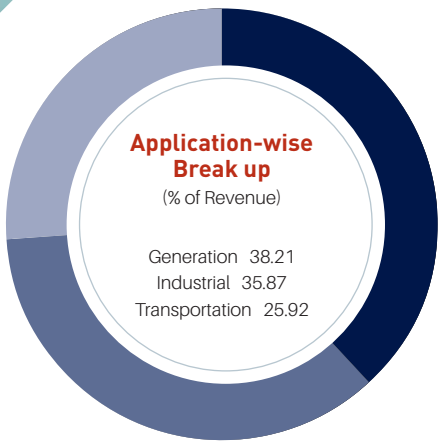
MACHINING

Brief overview

- State-of-the-art machines for machining large castings such as vertical turret lathe, horizontal machining centre, horizontal boring machine and computer numerical control
- Have state-of-the-art coordinate measuring machine (CMM) for precisely measuring the machined castings to meet customer requirements

Competitive advantages

- Have precision machines required for machining of large castings and fabricated frames that have application in various industries
- Products that have consistent quality due to CMM machines and being the best supplier for large machined parts



Our long-standing product expertise allows us to adhere minutely to customer requirements, and therefore, we are now emerging as a preferred partner for many capital goods industries. Newer customer segments such as railways, consumer durables, energy and many others are opening new opportunities for us. In terms of clean energy and wind power, we are working with Siemens, Rameca, Regents and Suzlon in supplying various components for windmills, generators, gearbox, housing and machine components.

MEETING THE ENGINEERING NEEDS OF TOMORROW
BY SCALING CAPACITIES WITH EASE

At PEL, we have invested in adding capacities with the objective to leverage economies of scale and to ensure sufficient supply for our customers. By utilising our manufacturing strengths, we are optimising the allocation of production and maximising efficiencies. We have made significant investments in manufacturing facilities to build the required infrastructure to fuel future growth plans.

HYDERABAD PLANTS

- Set up Plant 4 at Hyderabad for machining activity
- Commercial production started in August 2017

CAPACITY

10,000 MT
LAMINATIONS

1,65,600 HRS
MACHINE SHOPS

46,000 HRS
TOOL ROOM

AURANGABAD PLANT

- Operations started in January 2018
- The facility will have both laminations as well as machining capabilities
- Presence in Maharashtra brings the Company in proximity to its customers as well as raw material sources. This will significantly reduce logistics and operational costs

CAPACITY

26,000 MT
LAMINATIONS

36,000 HRS
MACHINE SHOPS

We have moved closer to the customer and to the raw materials. Our new facility in Aurangabad has helped us transform:

- Investing in new technologies
- Becoming more energy efficient
- Setting up online monitoring processes for all equipment for a detailed analysis of the manufacturing process
- Digitally linking manufacturing technology and enterprise solutions
- Introducing robotics and automation to make the entire punching side of the business automated

We expect to grow further with these efforts, which will translate into a wider product basket that will help generate enhanced revenues and service the needs of a large global customer community.

MEETING THE ENGINEERING NEEDS OF TOMORROW
BY ENDURING CUSTOMER RELATIONSHIPS

We understand that customer satisfaction is key to the success of any organisation. Service and quality are prerequisites to enhancing customer satisfaction. Our efforts to provide world-class excellence with zero-defect approach reiterate our commitment to quality. This provides exceptional value to customers and helps us move forward. The philosophy of 'customer first' flows right from the top management to the shop floors of the Company.

We took a different call during the last financial year by selecting to address the growing requirements of all customers. This widening of the product mix will strengthen the Company's positioning as a single-point provider of most kinds of electrical laminations, evolving transactions into enduring relationships, leading to growth in the number of customers and enhanced revenue visibility.

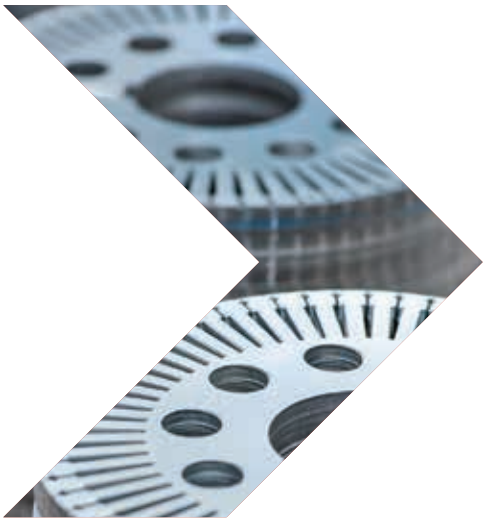
PEL's strength also lies in its capability to design a process, and in its in-house tool manufacturing and tools library. These help in a quick turnaround time for its customers through better supply chain management, shorter lead time and fewer vendor to track, which also makes the process cost-efficient.

PEL has firm belief in providing total customer satisfaction through excellence in product and process development, building quality into the processes, proactive approach to quality issues and quick response, cutting-edge technology and price competitiveness. We are fully-integrated player catering to a large customer base. We have always worked with customers as developmental partners rather than as business affiliates.

Around 47.60% of revenues are derived from existing relationships with long-lasting clients (Crompton Greaves – 28 years, Siemens – 23 years, GE – 12 years). We also export to the US, Germany, Australia, Brazil, Canada, Mexico and others.

We have always intended to work closely with the customer and become more integral towards their future through new product developments and exploration of new areas. The ability to provide end-to-end solutions lends multiple benefits.

- Quality assurance
- Reduced dependency on the number of suppliers
- Reduced logistics costs

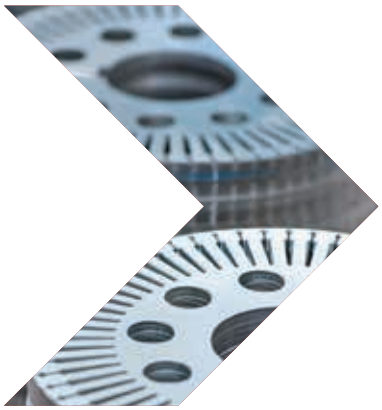


LONG-STANDING CUSTOMER RELATIONSHIP ACROSS BUSINESSES AND GEOGRAPHIES

The trust and confidence of customers has played a pivotal role in the growth of PEL and will continue to be the backbone of our operations.

MEETING THE ENGINEERING NEEDS OF TOMORROW
WITH A STRONG BALANCE SHEET

To achieve our business goals, we have a strategy of continuously growing our operations in a controlled, profitable manner across all our target markets. Our strategy is delivered through our evolving business model which enables us to offer effective service solutions to our clients, generate healthy returns for our shareholders and build a sustainable business. We have leveraged our financial expertise to propel the company to achieve its future aspirations and development needs.



WORKING CAPITAL LOANS TO PREVAIL

By virtue of having presence in the capital goods and infrastructure sector, the raw material, conversion and realisation cycle is inherently long, which stretches our working capital cycle. Raw material is purchased from primary steel suppliers against LC or advance, and finished products are supplied to large conglomerates on long-tenure credit which is normal in this industry. Therefore, taking into consideration the overall business dynamics, we remain comfortable with our current leverage profile. As of 31st March, 2018, our total debt was ₹255.92 crore which included ₹88.68 crore of long-term debt and ₹167.24 crore of short-term debt. As of 31st March, 2018, we had a conservative leverage profile with total debt to equity ratio of 1.66x.

ENGAGING PEOPLE

Our employees are our greatest asset. We believe in ensuring their personal and professional growth while boosting a collaborative and fair working environment.

Being entrepreneurial in spirit, we encourage fresh minds and new ideas. We deliver superior results and value without compromising on our values like honesty, integrity, transparency and sincerity. During the year under review, the number of permanent employees rose to 960 from 559 in the previous year.

We believe that our integrated yet decentralised way of working provides our employees with the opportunity to develop leadership capabilities and business acumen as they balance their professional knowledge with insights and perspectives gained through local market experience and customer relationships. At PEL, we support the professional development of our employees. We believe in providing both vertical and lateral growth through training programmes, on-the-job opportunities and rewards and recognition to encourage superior performance and a competitive mindset.

TRAINING PROGRAMMES

Employees are sent for external training programmes and workshops from time to time to strengthen their existing skills and build new ones. In addition, we emphasise on-the-job training where employees are encouraged to take up new responsibilities. They are imparted with new skills and knowledge taking into consideration their aptitude and overall performance.

REWARDS AND RECOGNITION

We recognise the contribution of our employees and reward superior performance by providing both training opportunities and development on the job. Further, our compensation practices ensure employees receive incentives for good work. We celebrate both individual and team achievements and ensure colleagues are recognised for their contributions.

LEADERSHIP DEVELOPMENT ON THE JOB

Our plant-centric approach allows employees to develop a strong sense of self-motivation, initiative and leadership. They have the opportunity to independently manage day-to-day activities at the local level while keeping the overall Company goals and profitability in sight.

WORKPLACE SAFETY

In the areas of efficient energy usage, environment protection and workplace safety, we meet the highest standards of corporate citizenship. By protecting the health and safety of our employees from occupational hazards and safeguarding the environment, we endeavour to create a lasting impact on the communities where we operate.

BOARD OF DIRECTORS

Shri Sharad B. Pitti

Shri Sharad B. Pitti is the promoter of Pitti Engineering Limited (PEL). He has over 35 years of experience in the laminations industry.

- Presently the Chairman and Managing Director of PEL
- Played a critical role in the formative years of PEL
- Nurtured the organisation and contributed to its growth and development
- Chairman of Pitti Castings Pvt. Ltd., Pitti Electrical Equipment Pvt. Ltd., Pitti Holdings Pvt. Ltd. and Pitti Components Ltd.

Shri Akshay S. Pitti

- Shri Akshay S. Pitti was inducted as the Director (Exports and Business Development) of PEL on 14th October, 2004
- The Company added various reputed companies to its prestigious list of clients under his direction and supervision
- Primarily responsible for the surge in domestic and export sales
- Became the Vice Chairman and Joint Managing Director, effective from 22nd March, 2010
- Became the Vice Chairman and Managing Director subsequently
- Also on the Board of Pitti Castings Pvt. Ltd., Pitti Electrical Equipment Pvt. Ltd., Pitti Holdings Pvt. Ltd. and Pitti Components Ltd.

Shri N. R. Ganti

Shri N. R. Ganti has been an Independent Director since 16th October, 2002.

- Chairman of the Company's Nomination & Remuneration Committee
- Postgraduate in business administration
- Started his career in the field of banking with the State Bank of India
- Took up management consultancy services after quitting State Bank of India
- Corporate investment advisor to a number of companies and gave productive advice to the companies in organising funds through private placements and preferential issues
- Established a software company which was later divested to a large industrial group

Shri Gummalla Vijaya Kumar

Shri Gummalla Vijaya Kumar, a Bachelor of Law (LLB), was inducted as an Independent Director on 28th August, 2006.

- A senior advocate of the High Court of Andhra Pradesh
- Formerly a Government Pleader for revenue (Assignment, ULC and land grabbing)
- Also the Chairman of the Company's Stakeholders Relationship Committee

Shri M. Gopalakrishna, IAS (Retd)

Shri M. Gopalakrishna, IAS (Retd) joined the Board as an Independent Director on 28th June, 2007.

- Has held prestigious positions in the states of Assam and Andhra Pradesh as well as with the Government of India
- A graduate in science and law
- Presented several papers at international conferences on energy, minerals, corporate governance and rural development
- In-depth experience of the corporate world
- Served as the Founder Managing Director of Godavari Fertilisers and Chemicals Ltd.
- Wide and varied administrative and managerial experience spanning over four decades in the government and public sector including the promotion, development and regulation of industry and power utilities
- Director of several industrial promotion, development corporations and manufacturing companies in the Government of India and Governments of Andhra Pradesh and Assam
- Also a Director on the Board of NSL Textiles Ltd., JOCIL Ltd., Olectra Greentech Ltd., Suven Life Sciences Ltd., Prabhat Agri Biotech Ltd., NSL Renewable Power Ltd., Nuziveedu Seeds Ltd., BGR Energy Systems Ltd. and NSL Textiles Ltd.

Ms. Gayathri Ramachandran, IAS (Retd)

Ms. Gayathri Ramachandran, IAS (Retd) joined the Board as an Independent Director on 22nd September, 2014.

- A career spanning over 37 years
- Has held various national and international positions with the Government of India in the Ministries of Power, Petroleum, Chemical & Fertilisers and Civil Aviation
- Served as a Special Secretary to the Government of Andhra Pradesh
- Director on the Board of SKIL Infrastructure Ltd., KLG Capital Services Ltd., JPT Securities Ltd., Reliance Naval and Engineering Ltd., Gujarat Dwarka Port West Ltd., SKIL-Himachal Infrastructure and Tourism Ltd., Chiplun FTWZ Pvt. Ltd., Navi Mumbai Smart City Infrastructure Ltd., Karanja Logistics Pvt Ltd., SEMCORP Gayatri Power Ltd., Thermal Powertech Corporation India Ltd. and Tooquick Technologies Pvt Ltd.

Shri S. Thiagarajan

Shri S. Thiagarajan joined the Board as an Independent Director on 24th April, 2015.

- A Chartered Accountant with rich expertise in financial and management accounting
- Hands-on experience in corporate financial roles in local and global context
- Held various prestigious positions in NMDC Ltd, a Navratan PSU and served as its Board member and their associates.
- Also the Chairman of the Company's Audit Committee
- Partner of Ramamoorthy (N) & Co, Chartered Accountants

MANAGEMENT DISCUSSION AND ANALYSIS

1. ECONOMIC OVERVIEW

1.1 Global Economy

The global cyclical upswing that began halfway through 2016 gathered momentum during 2017. According to International Monetary Fund (IMF) estimates, world GDP grew by 3.8% in 2017 delivering an improved performance over 2016 (which at 3.2% was the weakest year of growth since the global financial crisis of 2009). The world economy recovered on the back of harmonised progress in advanced economies and emerging markets and developing economies (EMDEs). While the advanced economies expanded at 2.3% in 2017 against 1.7% in 2016, the EMDEs moved ahead at 4.8% in 2017 vis-à-vis 4.4% in 2016.

Among advanced economies, the US surged ahead with 2.3% in 2017 compared to 1.5% in 2016, driven by strong revival in private investment and consumer spending. The euro region also grew by 2.3% during the year versus 1.8% in the previous year. EMDEs logged an enhanced growth rate primarily with Brazil and Russia achieving positive growth after two successive years of decline. China clocked at 6.9% in 2017 compared to 6.7% in 2016.

Outlook

The harmonised growth impetus in advanced and emerging economies is likely to build momentum going forward, resulting in further rise of the global economy to 3.9% in 2018 and 2019. The US economy is projected to thrive at 2.9% in 2018 supported by an expansionary fiscal policy, positive investment and private consumption outlook. However, the rising inclination towards protectionist policies in the developed world, faster stride of increase in US interest rates and reformist tapering of quantitative easing in the European Union (EU) could impact capital flows and dampen the promising recovery in commodity-exporting emerging economies.

Global Growth

(%)

Particulars	Actual		Projections	
	2016	2017	2018	2019
World Output	3.2	3.7	3.9	3.9
Advanced Economies	1.7	2.3	2.3	2.2
United States	1.5	2.3	2.7	2.5
Eurozone	1.8	2.4	2.2	2.0
Japan	0.9	1.8	1.2	0.9
United Kingdom	1.9	1.7	1.5	1.5
Other Advanced Economies*	2.3	2.7	2.6	2.6
Emerging Market and Developing Economies	4.4	4.7	4.9	5.0
China	6.7	6.8	6.6	6.4

*Excludes the G7 (Canada, France, Germany, Italy, Japan, the United Kingdom, the United States) and eurozone countries

Source: International Monetary Fund (IMF)

1.2 Indian Economy

According to Central Statistics Office (CSO), India's GDP registered growth of 7.7% in Q4 of 2018. The surge was a result of the spillover of latent demand, rise in private consumption, steady stimulation in investments and government initiatives post implementation of the Goods and Services Tax (GST) and demonetisation. The Indian Bankruptcy Code (IBC), recapitalisation of public sector banks, investments in national highways and railways, 100% electrification across all villages and direct benefit transfer to citizens, among others, are some key initiatives that affected India's economic progress. At the same time, a noteworthy increase in Consumer Confidence Index, industrial growth and easing inflation facilitated further economic development in the country.

During 2017-18, inflation remained largely under the control of the Reserve Bank of India (RBI). Additionally, the Consumer Price Index (CPI) declined to 3.6%, in the reporting period, vis-à-vis 4.5% in 2016-17, prompting the RBI to reduce policy interest rates by 25 bps. For April-March 2018, the Index of Industrial Production (IIP) recorded 4.3%, lower than 4.6% in the same period of previous year. The manufacturing sector, which has weightage of 77% in the IIP, saw sharp slowdown in March 2018 at 4.4% compared to 8.7% in the same month last year.

INDIA'S GDP GROWTH (%)

Source: Central Statistics Office (CSO)

The harmonised growth impetus in advanced and emerging economies is likely to build momentum going forward, resulting in further rise of the global economy to 3.9% in 2018 and 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook

The Government of India (GoI) has initiated several structural reforms to improve the ease of doing business in India. These initiatives have augmented transparency, stepped up the process of approvals and promoted value-additions to bolster Indian economy's performance and realise its true potential. The GoI's economic reforms and fiscal measures are likely to further encourage cumulative increase in investment and consumption that is expected to sustain India's growth momentum.

2. INDUSTRY OVERVIEW

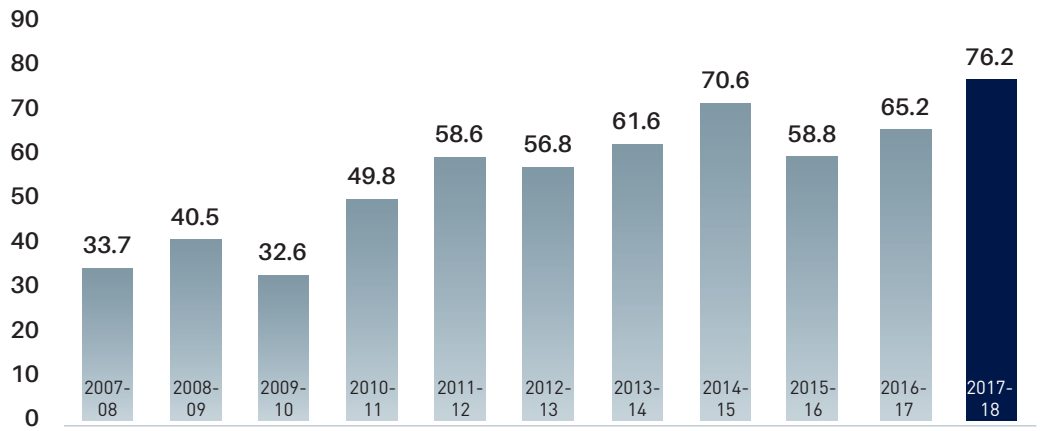
India's engineering sector is driven by various sub-segments like infrastructure, power, steel, automotive, oil & gas and consumer durables. Moreover, the GoI's focus on 'Make in India' is expected to propel the manufacturing sector to the next level of growth.

According to Engineering Export Promotion Council (EEPC), engineering exports account for over 25% of India's total merchandise exports. It grew to $76.20 billion in 2017-18 vis-à-vis $65.23 billion in 2016-17.

> The GoI's economic reforms and fiscal measures are likely to further encourage cumulative increase in investment and consumption that is expected to sustain India's growth momentum.

INDIA'S ENGINEERING EXPORTS (US$ BILLION)

CAGR 8.50%



Source: Reserve Bank of India, Engineering Export Promotion Council, Engineering Export monitoring report, Ministry of Commerce and Industry Estimates

The capital goods sector gains from multiple engines which is likely to bolster its growth in the coming years. Rising demand for infrastructure, robust and accelerating policy support, encouragement to exports and competitive players drive this segment. At present, India offers an attractive investment opportunity for most foreign investors owing to the country's growing economy and GoI's strong policy actions.

Oil & Gas

The global energy landscape is evolving with increased demand from the fast-growing emerging markets that surpass the traditional energy requirement centres. The energy mix is also shifting, driven by technological improvements and environmental concerns. As of now, demand for oil continues to rise, though the pace is likely to stagger as technology improvements make vehicles more fuel-efficient. Besides, the advent of electric vehicles, autonomous driving and car sharing are set to revolutionise mobility solutions and influence the demand for oil.

According to International Energy Agency (IEA), India is expected to account for a quarter of global energy use by 2040. The high economic growth and intensifying industrial development coupled with an escalating population have increased India's energy requirement.

Several economic and financial data series point towards improved economic growth for both developed and emerging market economies, which support the oil consumption growth outlook.

High economic growth and intensifying industrial development coupled with a rising population have increased India's energy requirement.

2.1 Power

Power is one of the most critical components of infrastructure, crucial for economic development and welfare of a nation. The GoI's focus on providing 'Power for All' has enhanced capacity addition in India. The demand for electricity in the country has increased rapidly and is expected to rise further in the coming years.

Various government-induced reforms are positively impacting India's power sector. In the midst of surging domestic coal production and viable tariffs, the country's power industry is becoming increasingly stable with the revival of stressed coal assets and boosting strong interest of private sector in developing renewable assets. The installed capacity as on 31st March, 2018, was 3,44,002 MW, which constituted 64.8% thermal power, 13.2% hydro, 2% nuclear and 20% renewable energy sources (Source: Central Electricity Authority (CEA)).

The GoI is playing an active role in encouraging the implementation of renewable energy resources by offering various incentives like generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives and so on. The Ministry of New and Renewable Energy has undertaken several measures to achieve the target of 175 GW renewable energy capacity by 2022. These include appropriate amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation and providing Renewable Generation Obligation; setting up exclusive solar parks and development of power transmission network through Green Energy Corridor Project, among others.

The CEA prefers solar, hydro, wind, gas and nuclear-based capacity expansion due to their inherent advantages as India gears to meet its Paris Agreement goal of generating 40% electricity from renewable energy sources. The GoI has planned to add 1,75,000 MW of renewable energy by the end of 2021-22.

Key highlights of Union Budget 2018-19 that will impact the power industry:

- Allocated ₹3,800 crore and ₹4,900 crore for the Deendayal Upadhayaya Gram Jyoti Yojna (DUGJY) and Integrated Power Development Scheme (IPDS), respectively
- Provisioned ₹16,000 crore (of which ₹2,750 crore has been allocated for 2019) under the 'Saubhagya' scheme to enable last-mile connectivity for rural households
- Proposed mechanism to buy surplus solar energy from solar pumps by the discoms at reasonable prices
- Increased capex by Railways, particularly for electrification and augmentation of line network
- Allotted ₹4,200 crore for capacity addition in wind power, solar power and green energy corridor

Ujwal DISCOM Assurance Yojana (UDAY)

UDAY was launched in 2015. It aims at reviving electricity distribution companies, improving demand and locating the problems of the power distribution sector. It is a financial turnaround and revival package for electricity distribution companies of India (discoms) initiated by the GoI. The scheme for restructuring power distribution companies has further helped discoms cut aggregate technical and commercial losses by 5%.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)

Saubhagya was initiated in September 2017 with the objective of electrifying all left-out Indian households. The original completion date of March 2019 was advanced to December 2018. The scheme covers both urban and rural households and offers free electricity connections to below poverty line (BPL) households, while other households have to pay ₹500. Saubhagya has already reached 59 lakh households and is expected to be rolled out in the remaining 3.2 crore households.

Green Energy Corridor

India plans to add massive capacity of renewable energy over the coming decade. Hence, it is important to create a dedicated independent transmission corridor to distribute the resultant additional power. The Green Energy Corridor project would be a dedicated, stable network to transmit large volumes of power from rich renewable energy power states, to higher energy demand states by creating intra-state and interstate transmission infrastructure.

MANAGEMENT DISCUSSION AND ANALYSIS

Outlook

The GoI's focus on renewables and ensuring last-mile connectivity of electricity has led to the introduction of several schemes like 24x7 Power for All, Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) and others. Additionally, the dedicated transmission lines catering to the green corridor and strengthening electrical systems offer various prospects in this sector. Looking ahead, the power segment is expected to unfold positive trends in the areas of generation, transmission and distribution. The GoI is expected to equally concentrate on thermal, nuclear and renewables (like solar, hydro and wind, among others) energy to augment growth in the sector. All these factors will give rise to diverse opportunities for the Company.

2.2 Railways

Indian Railways is the world's third largest railway network, fourth largest rail freight carrier and the largest passenger carrier in the world. But its quality of infrastructure and profitability is considerably low in comparison to other developed countries. Freight transportation in India is substantially dependent on Indian Railways making investments in the same crucial for the creation of new railway tracks and modernisation of existing infrastructure.

Countries like China and Japan, along with many multilateral agencies like the World Bank have pledged financial support for the development of India's railway network.

Key highlights of Union Budget 2018-19 that will impact Indian Railways

- Increased capital outlay to ₹53,060 crore, which includes doubling of 18,000 km of railways lines and tripling and quadrupling of 5,000 km of lines, electrification of 4,000 km of railway lines and manning over 4,000 unmanned level crossings
- Targeted addition of 12,000 wagons and 5,000 coaches during 2018-19 and modernisation of 600 railway stations with footfall of over 25,000
- Raised expenditure on new line construction (up by 34.5%), track renewals (up by 37.8%), and electrification projects (up by 82.6%) over the previous Budget to help upgrade railway infrastructure. Execution of these to benefit construction companies
- Strategised to expand the Mumbai suburban rail network and enlarge it by adding 90 km of double-line tracks [capital expenditure (capex) of ₹11,000 crore] and 150 km of addition to the suburban network (capex of ₹40,000 crore). Similarly, there are plans for expansion of Bengaluru's suburban network of 160 km with an estimated capex of ₹17,000 crore

Targeted addition of 12,000 wagons and 5,000 coaches during 2018-19 and modernisation of 600 railway stations with footfall of over 25,000

Outlook

The outlook for the railway sector is very positive, with the GoI planning network expansion, as well as upgradation and modernisation of the existing railway infrastructure. Given the major developments in both domestic and international markets, the railways business will emerge as a major growth driver for the Company.

In 2015, Indian Railways has signed agreements with US-based GE and France-based Alstom to setup locomotive factories in Bihar's Marhowra and Madhepura districts, respectively. The contract valued at ₹40,000 crore is spread over 10 years. Under these agreements, 1,000 diesel locomotives will be made by GE and 800 electric locomotives will be manufactured by Alstom. Both these projects will result in about ₹1,000 crore of business for the Company in the coming years.

2.3 Infrastructure

Infrastructure development is one of the pillars of India's overall progress. The GoI is focused on various policies for creation of world-class infrastructure in the country. Smart Cities, Bharatmala, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Swachh Bharat Mission (Urban), Pradhan Mantri Awas Yojna (Urban) are some of the key infrastructure initiatives by the GoI that are expected to drive India's construction industry.

The Sagarmala Programme is a strategic ₹8.5 trillion (US$120 billion or €110 billion) investment initiative of the Government of India entailing setting up of new mega ports, modernisation of India's existing ports, development of 14 Coastal Employment Zones (CEZs) and Coastal Employment Units, enhancement of port connectivity via road, rail, multi-modal logistics parks, pipelines & waterways and promote coastal community development, resulting in boosting merchandise exports by US$110 billion, and generation of around 10,000,000 direct and indirect jobs.

The Sagarmala Programme is the flagship programme of the Ministry of Shipping to promote port-led development in the country through harnessing India's 7,500 km long coastline, 14,500 km of potentially navigable waterways and strategic location on key international maritime trade routes. It aims for "transforming the existing Ports into modern world class Ports and integrate the development of the Ports, the Industrial clusters and hinterland and efficient evacuation systems through road, rail, inland and coastal waterways resulting

in Ports becoming the drivers of economic activity in coastal areas."

It is both enabler and beneficiary of other key Government of India schemes, such as Make in India, Bharatmala, Dedicated Freight Corridors, Industrial corridors, Startup India and Standup India.

A higher allocation towards affordable housing and the irrigation sector are likely to create additional demand, benefitting our line of business.

Key highlights of Union Budget 2018-19 that will impact the infrastructure segment

- Earmarked the capex of ₹1,22,000 crore for expansion of National Highways (more than 9,000-km length achieved in 2017-18) for the road sector; ensure seamless connectivity of interior, backward and border areas of the country through Bharatmala Pariyojana programme, which has been recently approved
- Allocation for the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) increased by 27.5% to ₹9,429 crore. Under this, ₹6,000 crore is to be spent on 48 irrigation projects under the Accelerated Irrigation Benefits Programme (AIBP) and command area development
- Allocated ~₹77,640 crore worth of projects under the state governments for 500 cities for water supply and sewerage works programme
- Allotted a ₹2.04 lakh crore outlay for ~99 smart cities, which are under various stages of project completion
- Provisioned a sum exceeding ₹44,500 crore to the Ministry of Urban Affairs to be spent on Pradhan Mantri Awas Yojana (PMAY) – Urban and Affordable Housing

Outlook

The GoI proposes to build an effective infrastructure system to make domestic economy more competitive compared to those of other emerging countries. With macros improving, the GoI is undertaking diverse measures to revive the infrastructure sector. The new forms of awarding (Hybrid Annuity Model) and financing (REITs and InVITs) are anticipated to reinforce/restart stranded projects and facilitate cash flows, which will provide long-term growth visibility in the industry.

The Company has been actively involved in developing products that cater to various OEMs engaged in lift irrigation products and projects. The increased GoI spending on the irrigation sector will directly result in increased business for the Company.

3. COMPANY OVERVIEW

Pitti Engineering Limited (PEL) is among India's leading integrated engineering solutions providers that manufactures electrical steel laminations, motor cores, sub-assemblies, die-cast rotors, press tools and machining of metal components. PEL's products find application in various basic capital goods products like motors and alternators, which are ideally used in any process engineering. The Company caters to the needs of power generation, transportation, industrial motors, locomotives, aerospace, automobile, earth moving and mining, oil & gas and infrastructure industries.

4. OPERATIONAL AND FINANCIAL REVIEW

The Company's increasing focus on domestic business resulted in a rise in domestic sales to 44.60% in 2017-18. The new Hyderabad facility commenced commercial production in August 2017 and the Aurangabad facility commenced operations in January 2018 and is expected to contribute significantly from Q1 2019. A robust order book and long-standing association with customers coupled with a strategically located facility provide PEL the confidence to capitalise on the upturn in the markets.

The Company's policies focus on customers and its strong business model, along with an insight into customer requirements provide it a competitive edge. Besides, PEL's superior risk governance practices also contributed to its commendable growth. The Company is on its path of developing as a complete engineering solutions provider with enhanced capacities for its present and prospective customers across industries.

The key financial highlights are given below:

(₹ in crore)

Year	2017-18	2016-17	Growth (%)
Net Revenue from operations	380.32	285.90	33.03
EBIDTA	54.58	33.54	62.73
PBT	16.31	5.12	218.55
Total Comprehensive Income	11.54	5.40	113.70

During 2017-18, the net revenues increased by 33.03% to ₹380.32 crore and EBITDA margin stood at 14.35% in 2017-18 vis-à-vis 11.73% in 2016-17.

The shareholders funds increased from ₹112.42 crore to ₹154.56 crore due to profit during the year of ₹11.54 crore and issue of equity shares and convertible share warrants of ₹30.60 crore.

Credit Ratings: The Company has a 'BBB+' rating for its long-term debt and 'A2' rating for its short-term debt by CARE.

MANAGEMENT DISCUSSION AND ANALYSIS

2017-18 highlights

- Exited our labour-intensive facility in Plant 1, Hyderabad
- Commenced operations at fully owned state-of-the-art Aurangabad facility with automation and robotics
- Commenced commercial production at new facility in Hyderabad for high-precision machining on large metal components. The expanded machine shop will also help in meeting GE and Alstom railway orders
- Progressed in terms of developing as an integrated player
- Commenced supplies for appliances sector
- Pickup in demand from mining and oil & gas sector
- Certified by BVCI in Quality Management ISO 9001:2015 and Environment Management Systems ISO 14001:2015

5. BUSINESS OUTLOOK, OPPORTUNITIES AND THREATS

PEL looks forward to consolidate its position in established markets and gain significantly in new growth areas, ably supported by its initiatives on cost leadership and smart delivery.

The Company has a very well-articulated business strategy for transitioning into the next phase of growth. There are several ongoing initiatives which will support its growth endeavours. Additionally, PEL projects robust volume growth and better product mix. Its overall volume growth during the reporting period was supported by increasing contribution from the domestic business and significant improvement in export volume, which is in line with the Company's business strategy.

Opportunities

The macroeconomic environment has stabilised owing to the strategic measures undertaken by the RBI and the GoI in the last two years. As a result, there are a few early signs of growth and investment revival in the country. Globally, the US economy has been steadily strengthening as is evident through consistent reduction in its unemployment rate. Additionally, the economy of the eurozone has also been gaining growth momentum.

PEL primarily caters to the core sectors of the economy. The growth of these industries and their demand outlook has a strong correlation with the prevailing investment climate. With the expected improvement in the investment climate, the demand from these industries is also likely to rise, providing the Company various growth opportunities.

Threats

While the Company is strategically positioned to utilise its strengths in leveraging the underlying industrial opportunities, it also takes on into account certain potential threats, which may impact smooth business operations. These include changing industrial trends, competition scenario, emerging customer preferences, potential disruptions in supplies and regulatory changes, among others.

6. HUMAN RESOURCES – PEOPLE DRIVE GROWTH

PEL firmly believes that its people motivate and make the organisation exceptional, both in driving outstanding performance, as well as in fostering and enhancing its reputation. The Company's human resource management systems and processes aim to enhance organisational capability and vitality, so that each business segment operates to provide world-class standards and is equipped to seize market opportunities. At the same time, the Company's persistent commitment towards investing in talent management practices helps it drive improved performance among its people. There were 960 employees on the rolls of the Company as on 31st March, 2018.

The Company consistently strives to improve its safety performance by incorporating best-in-class engineering standards in the design and project execution phase. Besides, it undertakes various procedures to ensure environmental protection. The Company carries out Environment, Health & Safety audits before commissioning and during the operation of units to verify compliance with relevant standards.

7. RISK MANAGEMENT

Economic Environment & Market Conditions

The Company operates its business in the global environment which is volatile, uncertain, complex and ambiguous. It is continuously in search of new markets, new products, resources, lower production costs and new customers. Consequently, the Company is also facing growing complexity in terms of the varied business practices and additional risks faced from new political and economic environments.

Risk Mitigation: PEL serves clients across different industries and geographies, and hence through diversification, the risks have been diluted. While a significant proportion of revenues is derived from a limited number of customers, PEL's strategy is to seek new ones through broad-basing of products and customers, with an appropriate mix of domestic and overseas clients. On the purchasing front too, the Company relies on a range of overseas vendors and domestic providers of raw material to maintain a good balance. Historically, the strength of its relationship with vendors and customers has resulted in significant recurring revenue from existing customers.

Competition Risk

In an increasingly global market, the Company faces rising levels of competition. Risk of competition is inherent to all business activities. The Company faces competition from the existing players operating in the segment. Moreover, the business in which the Company operates is in a high-growth phase, hence there is always an inherent risk that the existing competition may stiffen with the entry of new players.

Risk Mitigation: Significant entry barriers will help the Company retain its market share as it would be a long-drawn process to establish a new enterprise with investment of huge resources. The fact

that most customers have been with the Company since its inception demonstrates its values and the commitment to quality and maintaining relationships, which enables it to retain its market share.

Currency Risk

The Company is exposed to substantial risk on account of currency movements in the global foreign exchange market. The exchange rate between the rupee and the currency in other countries has changed substantially in recent years and is always fluctuating. The policy for foreign currency risk management ensures that the finance department continuously tracks movement of foreign denominations, avails the services of experts, and hedges the risk through appropriate mechanisms such as forward contracts/derivatives, margins from volatility due to fluctuations in exchange rates.

Risk Mitigation: The Company has limited currency exposure in sales, purchases and other expenses on the revenue side as it has a natural hedge to a major extent. The risk from foreign currency fluctuations is managed through hedging. The PEL risk management strategy is to identify risks it is exposed to, evaluate and measure those risks, decide on managing them, regular monitoring and reporting to management. The risk management policies with regard to foreign exchange fluctuation is approved by senior management and include implementing hedging strategies for foreign currency exposure, specification of transaction limits, identification of personnel involved in execution, monitoring and controlling such transactions.

Further, the Company is protected on its export pricing with its customers, specifically GE, as the unit cost of the product gets adjusted to the exchange fluctuation of the previous quarter. Therefore, practically, there is open exchange risk only for one quarter volume.

Revenue Concentration and liquidity aspects

Each business area such as laminations, castings, stampings and job work has specific risk to profitability and liquidity. The risks are therefore identified for each business segment to mitigate them.

Risk Mitigation: The Company has based its sales to various applications and products which helps in mitigating sectoral whirlwinds and provides stability to its income.

Operational Efficiency

Operational efficiency is an integral part of an organisation. Continuous rise in productivity increases the competitiveness of the organisation. If not attended to, the inevitable consequences include increased cost, undermined profitability and pressure on growth. The risk is assessed by evaluating the potential for incidents along with the degree of impact that could have on an organisation should they occur.

Risk Mitigation: The Company is constantly working to limit operational risks, which requires the combined efforts of all business and support functions, and the tools required to be developed. Trends are analysed and various operating groups combine into task forces to address them. The business continuity plan is reviewed annually by each unit.

Human Resource Management

The Human Resource constitutes the most important asset and strength of the Company. The risk management measures relating to human resource are therefore necessary to cover all risks related to employees such as competence enhancement, growth, career, succession planning and reducing attrition in key result areas and among the key managerial personnel. The measures deal with the nature of risk involved in relation to employees, objectives of risk management and initiatives to manage risk.

Risk Mitigation: PEL ensures that the right person is assigned to the right job and they grow and contribute towards organisational excellence at all levels. Risks in matters of human resources are sought to be minimised and contained by following a policy of providing equal opportunity to every employee, inculcating in them a sense of belonging and commitment and also effectively training them in spheres other than their own specialisation.

8. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

As a business philosophy, the management believes in growth with a strong governance system. The Company has a proper and adequate system of internal controls commensurate with its size and business operation to ensure timely and accurate financial reporting in accordance with applicable accounting standards, safeguarding of assets against unauthorised use or disposition and compliance with all applicable regulatory laws and Company policies. Internal Auditors of the Company review internal control systems on a regular basis for its effectiveness and necessary changes and suggestions which are duly incorporated into the system. Internal audit reports are also reviewed by the Audit Committee of the Board.

The Audit Committee reviews the internal audit reports and the remedial measures taken by the concerned departmental heads in the light of audit observations. The Statutory Auditors of the Company also scrutinise the internal audit report as part of their statutory audit functions.

The Statutory Auditors also conduct a limited review as part of the listing obligations and the reports are placed before the Audit Committee and forwarded to the regulatory authorities. The observations of the Audit Committee with regard to the efficacy of the audit report and the effective remedial measures that have been taken by the Company are placed before the Board for its consideration.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 34th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2018.

The name of the Company has been changed from Pitti Laminations Limited to Pitti Engineering Limited to reflect our evolution as a integrated engineering solutions provider.

BUSINESS OVERVIEW

Pitti Engineering Limited, formerly known as Pitti Laminations Limited, is a manufacturer of Stator & Rotor Core Assemblies, Die Cast Rotors & Assemblies, Traction Motors, High Precision Machine Components, Pole Assemblies, Specialized Electrical Steel Laminations, etc. Pitti Engineering caters to the industries like transportation (rail, road & off highway, diesel electric vehicles), power generation, aerospace, oil & gas, mining, earth moving and others. The company supplies full assemblies and sub-assemblies, high precision machined castings, laminations and fabricated bodies, etc. The company also manufactures special purpose lamination and stampings for all types of rotating electrical machinery, motor cores, sub-assemblies, die cast rotors and press tools. The company offers end to end support for motor and generator manufacturers.

FINANCIAL RESULTS

The financial performance of your Company for the year ended 31st March, 2018 is summarised below:

₹ in lakhs

Particulars	2017-18	2016-17
Net Revenue from Operations	38032.44	28589.72
Other Income	294.30	306.90
Profit before Finance Costs, Depreciation, Amortisation and Tax	5752.56	3660.56
Less: Finance costs	2357.86	1531.60
Profit before Depreciation, Amortisation and Tax	3394.7	2128.96
Less: Depreciation & Amortisation	1763.21	1617.40
Profit before Tax	1631.49	511.56
Less: Tax expenses	503.53	80.53
Profit after Tax	1127.96	431.03
Add: Other comprehensive income	26.45	109.34
Total comprehensive income for the year	1154.41	540.37
Add: Surplus at the beginning of the year.	5342.11	4801.74
Less: Dividend	-	-
Less: Transferred to General reserve	-	-
Surplus carried to Balance sheet	6496.52	5342.11

Pursuant to the notification dated 16th February, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2017. The financial statements for the year ended and as at 31st March, 2017 have been restated to conform to IndAS.

OPERATING RESULTS AND BUSINESS OPERATIONS

The company reported a robust performance during the year under review, with a revenue and total comprehensive income growth of 33.03% and 113.63% respectively compared to the same period last year. The company's efforts for the past few years on expansion, modernisation and strategic relocation has resulted in higher revenues and better margins. The Net revenue from operations for the financial year 2017-18 was ₹380.32 crores as against ₹285.90 crores in the previous year and the total comprehensive income for the period was ₹ 11.54 crores as against ₹ 5.40 crores in the previous year.

The total debt as on 31st March, 2018 was ₹ 255.92 crores which included ₹ 88.68 crores long-term debt and ₹ 167.24 crore of short term debt. Cash and cash equivalents at the year end was ₹ 13.52 crores resulting in a net debt position of ₹ 242.40 crores. We continued to maintain a conservative leverage profile with a total debt to equity ratio of 1.66x

During the year under review the company had commenced operations at the Aurangabad and commenced commercial production at Hyderabad (Plant –IV). Further the Company has been re-certified by BVCI in Quality Management Systems ISO 9001:2015 and Environmental Management Systems ISO 14001:2015. Our Quality Management Systems ISO 9001:2015 has been integrated with Environmental Management Systems ISO 14001:2015 in all the plants.

MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of this report. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

TRANSFER TO RESERVES

The Company does not propose to transfer any amount to the General reserve out of the amount available for appropriation.

DIVIDEND

In view of the expansion plans and requirement of higher working capital for the purpose of business of the Company, your Directors express their inability to recommend dividend for the financial year 2017-18. The Board of Directors of the Company has adopted a dividend distribution policy. The policy is also available on the website of the company www.pitti.in.

CHANGES IN SHARE CAPITAL

During the year under review the authorised share capital of the Company was increased from ₹ 15 crores comprising of 3 crore equity shares of ₹ 5 each to ₹ 30 crores comprising of 6 crore equity shares of ₹ 5 each.

Inorder to meet the capital expenditure for setting up new facilities at Aurangabad and Hyderabad, general corporate and working capital requirements the company had availed loans from banks which had stipulated minimum promoter's contribution against their lending, the Company had obtained approvals from the shareholders for making preferential allotment to the promoters and promoter group. Accordingly 28,44,445 equity shares of ₹ 5/- each were issued and allotted at a price of ₹ 90/- per share (including a premium of ₹ 85/- per share) to the persons belonging to the promoter/ promoter group on preferential basis. The issued and paid up capital of the Company as on 31st March 2018 stands increased to ₹ 14,91,39,225 divided into 2,98,27,845 equity shares of ₹ 5/- each. The equity shares issued during the year rank pari-passu with the existing equity shares of the Company.

Further the Company has allotted 22,22,222 convertible warrants at a price of ₹ 90/- each to be converted into 22,22,222 equity shares of ₹ 5/- (including a premium of ₹ 85/- per share) to the persons belonging to Promoter/Promoter Group on 14th February,2018. The subscription amount of 25% of warrant price has been received and fully paid-up equity shares of the Company will be allotted on receipt of balance 75% warrant price within 18 months from date of allotment.

The amount raised through the preferential issue has been used for the objects of the preferential issue as stated in the 33rd AGM notice and there has been no deviation from the intended use of the funds.

CHANGE IN NAME OF THE COMPANY

Further to the special resolution passed by the shareholder of the Company at the Extra-Ordinary General Meeting held on 11th April, 2018 approving the change in the name of the Company from 'Pitti Laminations Limited' to 'Pitti Engineering Limited', the Ministry of Corporate Affairs, Office of Registrar of Companies, Hyderabad has issued a Certificate of Incorporation pursuant to change of name on 8th May, 2018.

Consequent to change in name of the Company from Pitti Laminations Limited to Pitti Engineering Limited the scrip code of the company on the National Stock Exchange of India Limited has been change from PITTILAM to PITTIENG.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment for the time being in force.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as an Annexure-1 and forms an integral part of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the regulators / courts that would impact the going concern status of the Company and its future operations.

DIRECTOR'S & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 Shri Akshay S Pitti, Vice-Chairman & Managing Director retires by rotation and being eligible offers himself for reappointment.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May 2018, effective from 1st April, 2019 consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy five years. Shri M Gopalakrishna, IAS (Retd) is 79 years of age and will complete his present term as an Independent Director on 21st September, 2019. The Board at its meeting held on 13th August, 2018, on the recommendation of the Nomination & Remuneration Committee recommended for the approval of the Members, continuation of Shri M Gopalakrishna, IAS (Retd) as an Independent Director of the Company from 1st April, 2019 till the completion of his present term on the existing terms and conditions.

The Independent Directors of the Company have submitted a declaration confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16 (b) of the Listing Regulations.

The Board had appointed Ms. Mary Monica Braganza as Company Secretary

DIRECTORS' REPORT

& Compliance Officer effective from 14th December 2017. Shri Satyabrata Padhi has resigned as Company Secretary on 16th November 2017. Shri Sharad B Pitti, Chairman & Managing Director; Shri Akshay S Pitti, Vice-Chairman & Managing Director ; Shri NK Khandelwal, President Corporate Resources & CFO and Ms. Mary Monica Braganza, Company Secretary & Compliance Officer are the Key Managerial Personnel of the Company as on the date of this report.

Meetings of the Board

Nine meetings of the Board were held during the year. The details of composition of the Board, particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

Committees of the Board

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an evaluation of the directors as well as the evaluation of the Board and its Committees. The process was carried out by circulating questionnaires on the Board and Committees functioning on certain parameters. The performance evaluation of the independent directors was carried out by the entire Board, except the director being evaluated. The performance evaluation of the Chairman and Non-Independent Directors including Executive Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

Remuneration Policy

The Board of Directors has framed a policy which lays down a framework in relation to the remuneration of Directors, key managerial personnel and senior management of the Company. This policy also lays down criteria for selection and appointment of Board members. The detailed policy is available on Company's website www.piiti.in.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information relating to remuneration and other details as required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided as an Annexure-2 to this report.

There are no employees who draw remuneration in excess of the limits prescribed in Rule 5(2) (i), (ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Pursuant to the provisions of the first proviso to Section 136(1) of the Act and as advised, the annual report excluding the remuneration details of top ten employees is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, the Directors of your company confirm that:

a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable Accounting Standards have been followed and there are no material departures from the same;

b) such accounting policies as mentioned in the notes to the financial statements have been applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit of the Company for the year ended on that date.

c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a 'going concern' basis;

e) proper internal financial controls laid down by the Directors were followed by your Company and that such internal financial controls are adequate and operating effectively; and

f) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

INDUSTRIAL RELATIONS

Your Company has always considered its workforce and their skills as its valuable asset and continues to enhance the performance driven environment with emphasis on aligning it with the changing business requirements.

PREVENTION OF SEXUAL HARRASSMENT

Your Company has formulated a policy for the prevention of sexual harassment at the workplace. It ensures prevention and deterrence of acts of sexual harassment and communicates procedures for their resolution and settlement. The Company is committed to creating and maintaining

a healthy working environment that enables employees to work without fear or prejudice, gender bias and sexual harassment. The Company believes that all employees have a right to be treated with respect and dignity and has zero tolerance towards violations of its code of conduct, in general, and its sexual harassment policy, in particular. During the year, no complaint under the sexual harassment policy has been received by the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of the Listing Regulations and section 177 of the Companies Act, 2013 for the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. During the year under review, no personnel was denied access to the Audit Committee. The policy is posted on the website of the Company at www.pitti.in.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new / revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The internal audit is entrusted to M/s. SVD & Associates, Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

Further, the Statutory Auditors of the Company have also issued an attestation report on internal control over financial reporting (as defined in section 143 of Companies Act, 2013) for the financial year ended 31st March, 2018, which forms part to the Statutory Auditors Report.

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks help in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is periodically reviewed by the Board and the Audit Committee.

However, some of the risks which may pose challenges are set out in the Management and Discussion Analysis which forms an integral part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a part of its initiative under the Corporate Social Responsibility (CSR) drive, the Company has undertaken projects in the areas of urban and rural development, welfare activities, women empowerment eradicating hunger, promoting health care and education. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure-3 and forms an integral part of this report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the year under review, the Company has not given any loans, provided any guarantees nor made any investments.

RELATED PARTY TRANSACTIONS

All transactions entered into with related parties for the year under review were on arm's length basis and in the ordinary course of business and is in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. Further there were transactions with related parties which qualify as material transactions under the Listing Regulations for which approval of members is being sought in the ensuing Annual General Meeting. The information on transactions with related parties is given in Annexure-4 in Form No. AOC-2 and the same forms part of this report.

All related party transactions are placed before the Audit Committee and omnibus approval is obtained for transactions which are of repetitive nature.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the Company www.pitti.in.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under section 92 of the Companies Act, 2013 is annexed as Annexure-5 and forms an integral part of this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company as required under Listing Regulations is provided in a separate section and forms an integral part of this Report.

CORPORATE GOVERNANCE

As per Regulation 34 (3) read with Schedule V of the Listing Regulations, a detailed report on corporate governance, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report.

DIRECTORS' REPORT

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

M/s. Laxminiwas & Co, Chartered Accountants were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 6th September, 2017 for a term of five consecutive years, subject to ratification by the members at every Annual General Meeting (AGM). Pursuant to the notification dated 7th May, 2018 issued by Ministry of Corporate Affairs, the requirement of seeking ratification of appointment of statutory auditors by members at each AGM has been done away with. Accordingly, no such item has been considered in notice of the 34th AGM.

M/s. Laxminiwas & Co, Chartered Accountants have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

The Board of Directors, on the recommendation of Audit Committee has appointed M/s. S S Zanwar & Associates, Cost Accountants (Firm Registration No.100283) as the Cost Auditors to audit the cost accounts of the Company for the financial year 2018-19. As required under the Companies Act, 2013 a resolution seeking member's ratification for the remuneration payable to the cost auditor forms part of the notice convening the 34th AGM.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed Shri Ajay Kishen, Practicing Company Secretary (CP. No. 5146) to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for the financial year ended 31st March, 2018 is annexed to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

CAUTIONARY STATEMENT

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

For and on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Place : Hyderabad
Date : 13th August, 2018

ANNEXURE-1

ANNEXURE TO THE DIRECTORS' REPORT

[Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

(i) Steps taken or impact on conservation of energy

We have installed LED lights at our plants with auto on / off function thereby reducing power consumption by 112MW/ annum resulting in a saving of ₹ 7.88 Lakhs/Annum.

All LED lighting system are controlled through SCADA with auto time setting and energy effecient OLTC power transformers along with auto power factor correction system.

(ii) Steps taken by the company for utilising alternate sources of energy

N/A

(iii) Capital investment on energy conservation equipments:

₹ 48.15 Lakhs

(B) Technology Absorption

(i) Efforts made towards technology absorption

PLC controlled and SCADA monitored sandwich busbars are installed in place of regular cables for higher efficiencies.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

Over all reduction in energy consumption

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

(a) the details of technology imported: Nil

(b) the year of import: Nil

(c) whether the technology been fully absorbed: Nil

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof and: Nil

(iv) The expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo

₹ in lakhs

Particulars	2017-18	2016-17
Foreign exchange earnings	11099.08	8959.67
CIF Value of imports	5178.76	2649.73
Expenditure in foreign currency	259.16	305.71

For and on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Place : Hyderabad
Date : 13th August, 2018

ANNEXURE-2

PARTICULARS OF REMUNERATION

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Requirements	Name	Ratio
1	The ratio of the remuneration of each Director to the median remuneration of the Employees of the company for the financial year.	Shri Sharad B Pitti, Chairman & Managing Director	24.91:1
		Shri Akshay S Pitti, Vice-Chairman & Managing Director	24.91:1
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, or Manager, if any, in the financial year:	**Name**	**% increase**
		Shri Sharad B Pitti, Chairman & Managing Director	-
		Shri Akshay S Pitti, Vice-Chairman & Managing Director	-
		Shri NK Khandelwal, President Corporate Resources & CFO	19%
		Shri Satyabrata Padhi, Company Secretary	NA
		Ms. Mary Monica Braganza, Company Secretary & Compliance officer	NA
3	The percentage increase in the median remuneration of employees in the financial year.	The percentage increase in the median remuneration of Employees for the financial year was 5%.	
4	The number of permanent employees on the rolls of the Company.	There were 960 employees on the rolls as on 31st March, 2018	
5	The average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average salary percentage for employees other than managerial personnel was down by 1% in comparison to previous year mainly due to massive hiring at lower ends in view of new plants going operational. The number of permanent employees rose from 559 to 960 as on 31st March 2018. The Company however has given average annual increment of 17% to 414 eligible employees based on Company's performance management system for the year 2016-17.	
6	Affirmation that the remuneration is as per the remuneration policy of the company.	The Company affirms that the remuneration is as per the remuneration policy of the Company.	

The Non-Executive Directors of the Company are entitled for sitting fees as approved by the Board. The ratio of remuneration and percentage increase for Non-Executive Directors remuneration is therefore not stated.

Shri Satyabrata Padhi resigned as Company Secretary w.e.f 16th November 2017 and Ms. Mary Monica Braganza was appointed Company Secretary & Compliance officer w.e.f. 14th December 2017. Since the remuneration is only for part of the year, the % increase in remuneration is not comparable and hence, not stated.

For and on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Place : Hyderabad
Date : 13th August, 2018

ANNEXURE-3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	Social and environmental responsibility has always been at the forefront of our operating philosophy and the company has consistently contributed to socially responsible activities. CSR portraits the deep symbiotic relationship that the company enjoys with the communities it is engaged with. The Company's CSR Policy is in alignment with the provisions of the Companies Act, 2013. The activities undertaken include projects in urban and rural development, welfare activities, women empowerment, eradicating hunger, promoting health care and education. The CSR policy is available on the website of the Company, www.pitti.in
2.	The Composition of the CSR Committee.	Shri Sharad B Pitti (Chairman) Shri Akshay S Pitti Shri Gummalla Vijaya Kumar
3.	Average net profit of the Company for last three financial years	₹ 421.84 lakhs
4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	₹ 8.44 lakhs
5.	Details of CSR spent for the financial year:	
	(a) Total amount to be spent for the financial year	₹ 8.48 lakhs
	(b) Amount unspent, if any:	Nil
	(c) Manner in which the amount spent during the financial year is detailed below:	The manner in which the amount is spent is annexed
6.	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof the Company shall provide the reasons for not spending the amount in its Board report.	Nil
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR Objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company

ANNEXURE TO CSR REPORT (POINT 5(C) OF THE CSR REPORT)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) overheads	Cumulative expenditure upto the reporting period	Amount spent: Directly through implementing agency	Details of implementing agency if engaged
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Providing scholarship, and distribution of books to needy students	Education	Hyderabad, Telangana	1,14,000	1,14,000	1,14,000	Through implementing agency	Badrivishal Pannalal Pitti Trust
2	Providing financial assistance for women & widows	Women Empowerment	Hyderabad, Telangana	1,84,000	1,84,000	1,84,000	Through implementing agency	Badrivishal Pannalal Pitti Trust
3	Providing Health Care by organizing medical camps and preventive health care.	Health Care	Hyderabad, Telangana & Akola, Maharashtra	3,13,000	3,10,500	3,10,500	Through implementing agency	Badrivishal Pannalal Pitti Trust
4	Assistance to disabled, orphanage & old age homes and activities for reducing social inequalities	Welfare Activities	Hyderabad, Telangana	2,39,000	2,39,000	2,39,000	Through implementing agency	Badrivishal Pannalal Pitti Trust
	Total			**8,50,000**	**8,47,500**	**8,47,500**		

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Akshay S Pitti
Member – CSR Committee
DIN: 00078760

Gummalla Vijaya Kumar
Member – CSR Committee
DIN: 00780356

Place : Hyderabad
Date : 13th August, 2018

ANNEXURE-4

FORM NO. AOC-2

Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis.

   There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2018 which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis.

   The details of contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2018 are as follows:-

Name of the related party and nature of relationship	Nature of contracts / arrangements	Duration of the contract / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including value if any (₹ in lakhs)
Shri Sharad B Pitti Chairman & Managing Director Smt Madhuri S Pitti Spouse of Shri Sharad B Pitti	Lease rentals paid for office and factory premises	Ongoing	154.11
Pitti Casting Pvt Limited Directors & KMP interested	Purchase of goods & services Sales of goods & services	Ongoing	3304.18 683.40
Pitti Electrical Equipment Pvt Ltd. Directors & relatives interested	Claims against purchase		(212.50)
Shri Sharad B Pitti Chairman & Managing Director	Unsecured loans – Received Unsecured loans – Repaid Unsecured loans – converted into share capital	NA	900.00 1350.00 1160.00
Shri Akshay S Pitti Vice Chairman & Managing Director	Unsecured loans – Received Unsecured loans – Repaid Unsecured loans – converted into share capital	NA	1010.00 250.00 900.00
Pitti Electrical Equipment Pvt Ltd. Directors & relatives interested	Inter Corporate Deposit – Received Inter Corporate Deposit – Repaid Inter Corporate Deposit – converted into share capital	NA	1110.00 800.00 500.00
Smt Radhika A Pitti Spouse of Shri Akshay S Pitti	Remuneration	Ongoing	15.43

For and on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Place : Hyderabad
Date : 13th August, 2018

ANNEXURE-5

FORM NO. MGT-9
Extract of Annual Return

As on the financial year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L29253TG1983PLC004141
Registration Date	:	17th September, 1983
Name of the Company	:	Pitti Engineering Limited (Formerly Pitti Laminations Limited)
Category / Sub-category of the Company	:	Indian-non Government Company & Company limited by shares
Address of the Registered office and Contact details	:	6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082 Tel : +91-40-23312774, 23312770 Fax : +91-40-23393985 email : shares@pitti.in
Whether listed company Yes / No		Yes

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC code (2008) of the product / service	% to total turnover of the company
1.	Electrical laminations & stampings, machining of metal components	2591, 25920	82.70
2.	Others - Metal scrap, traded goods and tools	3830,46699, 28229	17.30

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name & Address of the Company	CIN	Holding / Subsidiary / Associate Company	% of shares held	Applicable Section under Companies Act, 2013
		NIL			

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoter									
(1) Indian									
a) Individual / HUF	9209380	-	9209380	34.13	11498269	-	11498269	38.55	4.42
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FII	-	-	-	-	-	-	-	-	-
f) Any Other (Body Corporate)	6980000	-	6980000	25.87	7535556	-	7535556	25.26	(0.61)
Sub-total (A) (1)	**16189380**	**-**	**16189380**	**60.00**	**19033825**	**-**	**19033825**	**63.81**	**3.81**

ANNEXURE-5

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2) Foreign									
a) NRIs	-	-	-	-	-	-	-	-	-
Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Banks / FII	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**16189380**	**-**	**16189380**	**60.00**	**19033825**	**-**	**19033825**	**63.81**	**3.81**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FII	9026	200	9226	0.03	29647	200	29847	0.10	0.07
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	868998	-	868998	3.22	868998	-	868998	2.91	(0.31)
h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	**878024**	**200**	**878224**	**3.25**	**898645**	**200**	**898845**	**3.01**	**(0.24)**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	1625392	1600	1626992	6.03	1565750	1000	1566750	5.25	(0.78)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4798320	459858	5258178	19.49	4783235	344856	5128091	17.19	(2.29)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2712914	-	2712914	10.05	2686624	-	2686624	9.01	(1.05)
c) Others specify:									
i. NRI	275471	2000	277471	1.03	424837	-	424837	1.43	0.40
ii. Clearing Members	38621	-	38621	0.14	87253	-	87253	0.29	0.15
iii. Directors & Relatives	1620	-	1620	0.01	1620	-	1620	0.01	-
Sub-total (B) (2)	**9452338**	**463458**	**9915796**	**36.75**	**9549319**	**345856**	**9895175**	**33.18**	**(3.57)**
Total Public Shareholding (B) = (B) (1) + (B)(2)	**10330362**	**463658**	**10794020**	**40.00**	**10447964**	**346056**	**10794020**	**36.19**	**(3.81)**
C. Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**26519742**	**463658**	**26983400**	**100.00**	**29481789**	**346056**	**29827845**	**100**	**-**

ANNEXURE-5

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Shri Sharad B Pitti	4275560	15.85	-	5564449	18.66	2499255	2.81
2	Shri Akshay S Pitti	3158200	11.70	-	4158200	13.94	2040740	2.24
3	Smt Madhuri S Pitti	1758620	6.52	-	1758620	5.90	-	(0.62)
4	Sharad B Pitti (HUF)	17000	0.06	-	17000	0.06	-	(0.01)
5	Pitti Electrical Equipment Pvt Ltd	6980000	25.87	-	7535556	25.26	-	(0.61)

(iii) Change in Promoters' Shareholding

Sl. No	Name of the Promoter	Shareholding at the beginning of the year		Date wise increase / decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus / sweat equity etc)			Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Date	Reason	No. of shares	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Shri Sharad B Pitti	4275560	15.85	14.02.2018	Preferential allotment	1288889	5564449	18.66	5564449	18.66
2	Shri Akshay S Pitti	3158200	11.70	14.02.2018	Preferential allotment	1000000	4158200	13.94	4158200	13.94
3	Smt Madhuri S Pitti	1758620	6.52	-	-	-	1758620	5.90	1758620	5.90
4	Sharad B Pitti (HUF)	17000	0.06	-	-	-	17000	0.06	17000	0.06
5	Pitti Electrical Equipment Pvt Ltd	6980000	25.87	14.02.2018	Preferential allotment	555556	7535556	25.26	7535556	25.26

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	For each of the top 10 shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Passage to India Master Fund Limited	868998	3.22	-	-	-	-	868998	2.91
2.	Barclays Wealth Trustees India Private Limited	446130	1.65	15.09.17	Sell	41720	0.15	404410	1.50
				22.09.17	Sell	6239	0.02	398171	1.48
				13.10.17	Sell	2041	0.01	396130	1.47
				27.10.17	Sell	50000	0.19	346130	1.16
3.	IL and FS Securities Services Limited	-	-	07.04.17	Buy	61542	0.23	61542	0.23
				14.04.17	Buy	2680	0.01	64222	0.24
				21.04.17	Buy	1050	0.00	65272	0.24
				28.04.17	Sell	39244	0.15	26028	0.10
				05.05.17	Buy	42072	0.16	68100	0.25
				19.05.17	Buy	9968	0.04	78068	0.29
				26.05.17	Buy	560	0.00	78628	0.29
				02.06.17	Buy	75	0.00	78703	0.29
				09.06.17	Buy	5662	0.02	84365	0.31
				16.06.17	Buy	15500	0.06	99865	0.37
				23.06.17	Buy	200	0.00	100065	0.37
				07.07.17	Buy	10000	0.04	110065	0.41

ANNEXURE-5

Sl. No	For each of the top 10 shareholders	Shareholding at the beginning of the year		Date	Reason	Increase / Decrease in shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
				14.07.17	Sell	500	0.00	109565	0.41
				21.07.17	Buy	92	0.00	109657	0.41
				28.07.17	Buy	5712	0.02	115369	0.43
				04.08.17	Sell	2900	0.01	112469	0.42
				11.08.17	Sell	200	0.00	112269	0.42
				18.08.17	Sell	11192	0.04	101077	0.37
				25.08.17	Sell	4651	0.02	96426	0.36
				08.09.17	Sell	700	0.00	95726	0.35
				22.09.17	Sell	4001	0.01	91725	0.34
				29.09.17	Sell	102	0.00	91623	0.34
				06.10.17	Sell	7485	0.03	84138	0.31
				20.10.17	Buy	100	0.00	84238	0.31
				27.10.17	Sell	310	0.00	83928	0.31
				03.11.17	Buy	22754	0.08	106682	0.40
				17.11.17	Buy	40116	0.15	146798	0.54
				24.11.17	Buy	14797	0.05	161595	0.60
				01.12.17	Buy	7255	0.03	168850	0.63
				08.12.17	Buy	110422	0.41	279272	1.03
				15.12.17	Sell	17035	0.06	262237	0.97
				22.12.17	Sell	24298	0.09	237939	0.88
				29.12.17	Buy	800	0.00	238739	0.88
				05.01.18	Buy	81668	0.30	320407	1.19
				12.01.18	Buy	8446	0.03	328853	1.22
				19.01.18	Buy	11231	0.04	340084	1.26
				26.01.18	Buy	53609	0.20	393693	1.46
				02.02.18	Buy	5135	0.02	398828	1.48
				09.02.18	Buy	7919	0.03	406747	1.51
				16.02.18	Sell	95141	0.32	311606	1.04
				23.02.18	Sell	394	0.00	311212	1.04
				02.03.18	Buy	671	0.00	311883	1.05
				09.03.18	Buy	12878	0.04	324761	1.09
				16.03.18	Sell	36952	0.12	287809	0.96
				23.03.18	Buy	50	0.00	287859	0.97
				31.03.18	Sell	5128	0.02	282731	0.95
4.	Tejal Merchantile Private Limited	200000	0.74	08.12.17	Sell	15000	0.06	185000	0.62
5.	Nitin Tandon	138000	0.51	-	-	-	-	138000	0.46
6.	Punamchand Ramnarayan Rathi	133615	0.50	-	-	-	-	133615	0.45
7.	Jwala Narsimha Swamy Akuthota	-	-	03.11.17	Buy	24258	0.09	24258	0.09
				17.11.17	Buy	93529	0.35	117787	0.39
8.	Ashish Jain	-	-	22.12.17	Buy	60202	0.22	60202	0.22
				29.12.17	Buy	29108	0.11	89310	0.33
				05.01.18	Buy	10690	0.37	100000	0.34
9.	Krishna Kishore Maheshwari	100000	0.37	-	-	-	-	100000	0.34
10	Govardhan Rao Muthineni	53325	0.20	19.05.17	Buy	3679	0.01	57004	0.21
				29.12.17	Buy	20000	0.07	77004	0.29
				05.01.18	Buy	19831	0.07	96835	0.32

ANNEXURE-5

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Names of Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Shri Sharad B Pitti**				
	At the beginning of the year	4275560	15.85	4275560	15.85
	Date wise increase / (decrease) in shareholding during the year				
	Preferential allotment on 14.02.2018	1288889	2.81	5564449	18.66
	At the end of the year	5564449	18.66	5564449	18.66
2	**Shri Akshay S Pitti**				
	At the beginning of the year	3158200	11.70	3158200	11.70
	Date wise increase / (decrease) in shareholding during the year				
	Preferential allotment on 14.02.2018	1000000	2.24	4158200	13.94
	At the end of the year	4158200	13.94	4158200	13.94
3	**Shri N R Ganti**				
	At the beginning of the year	1600	0.01	1600	0.01
	Date wise increase / (decrease) in shareholding during the year	-	-	-	-
	At the end of the year	1600	0.01	1600	0.01
4	**Shri Gummalla Vijaya Kumar**				
	At the beginning of the year	20	-	20	-
	Date wise increase / (decrease) in shareholding during the year	-	-	-	-
	At the end of the year	20	-	20	-
5	**Shri M Gopalakrishna**	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	**Ms.Gayathri Ramachandran**	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	**Shri S Thiagarajan**	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
Other KMPs					
8	**Shri NK Khandelwal**				
	At the beginning of the year	7000	0.03	7000	0.03
	Date wise increase / (decrease) in shareholding during the year				
	26.07.2017	3000	0.01	10000	0.04
	07.11.2017	2000	0.01	12000	0.04
	08.11.2017	1000	0.00	13000	0.05
	16.11.2017	1000	0.00	14000	0.05
	17.11.2017	1000	0.00	15000	0.06
	At the end of the year	15000	0.06	15000	0.06
9	**Ms.Mary Monica Braganza**				
	At the beginning of the year	-	-	-	-
	Date wise increase / (decrease) in shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

ANNEXURE-5

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

₹ in lakhs

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	15466.19	3992.32	-	19458.51
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	21.53	-	-	21.53
Total (i+ii+iii)	**15487.72**	**3992.32**	**-**	**19480.04**
Change in indebtedness during the financial year				
> Addition	9154.29	5984.00	-	15138.29
> Reduction – converted to share capital	-	(2560.00)	-	(2560.00)
> Reduction	(1946.00)	(4518.05)	-	(6464.05)
Net Change	7208.29	(1094.05)	-	6114.24
Indebtedness at the end of the financial year				
(i) Principal Amount	22674.48	2898.27	-	25572.75
(i) Interest due but not paid	-	-	-	-
(ii) Interest accrued but not due	18.97	-	-	18.97
Total (i + ii + iii)	**22693.45**	**2898.27**	**-**	**25591.72**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole-time Directors		Total Amount
		Shri Sharad B Pitti Chairman & Managing Director	Shri Akshay S Pitti Vice-Chairman & Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.25	48.25	96.5
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Others	-	-	-
	Total	**48.25**	**48.25**	**96.50**
	Ceiling as per the Act			**175.90**

B. Remuneration to other Directors:

Independent Directors

₹ in lakhs

Particulars of Remuneration	Shri N R Ganti	Shri Gummalla Vijaya Kumar	Shri M Gopalakrishna, IAS (Retd)	Ms.Gayathri Ramachandran, IAS (Retd)	Shri S Thiagarajan	Total Amount
Fee for attending Board / committee meetings	3.65	2.30	2.40	2.75	3.45	14.55
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total	**3.65**	**2.30**	**2.40**	**2.75**	**3.45**	**14.55**

ANNEXURE-5

C. Remuneration to Key Managerial Personnel:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri NK Khandelwal	Shri Satyabrata Padhi*	Ms.Mary Monica Braganza*	
		President - Corporate Resources & CFO	Company Secretary	Company Secretary & Compliance Officer	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	52.87	7.25	3.91	64.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Others, please specify	-	-	-	-
	Total	**52.87**	**7.25**	**3.91**	**64.03**

*Ms. Mary Monica Braganza was appointed as Company Secretary & Compliance Officer effective from 14th December 2017. Shri Satyabrata Padhi has resigned as Company Secretary on 16th November 2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

	Type	Section of the Companies Act	Brief description	Details of penalty / punishment / compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A.	**Company**					
	Penalty	----------NIL----------				
	Punishment					
	Compounding					
B.	**Directors**					
	Penalty	----------NIL----------				
	Punishment					
	Compounding					
C.	**Other Officers In Default**					
	Penalty	----------NIL----------				
	Punishment					
	Compounding					

For and on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078760

Place : Hyderabad
Date : 13th August, 2018

SECRETARIAL AUDIT REPORT

For The Financial Year Ended on 31st March, 2018

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members
Pitti Engineering Limited
(Formerly Pitti Laminations Limited)
Hyderabad

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pitti Engineering Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable to the company during the Audit period].

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable to the company during the Audit period].

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable to the company during the Audit period].

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. [Not applicable to the company during the Audit period].

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:

1. Factories Act, 1948.
2. Payment of Wages Act, 1936, and rules made thereunder.
3. The Minimum Wages Act, 1948, and rules made thereunder.
4. Employee's State Insurance Act, 1948, and rules made thereunder.
5. The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder.
6. The Payment of Bonus Act, 1965, and rules made thereunder.
7. Payment of Gratuity Act, 1972, and rules made thereunder.
8. The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975.
9. Industrial Disputes Act, 1947.
10. The Air (Prevention and Control of Pollution) Act, 1981.

11. The Environment (Protection) Act, 1986.

12. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008.

13. Contract Labour (Regulation and Abolition Act), 1970.

14. Maternity Benefit Act, 1961.

15. Child Labour (Prohibition and Regulation) Act, 1986.

16. Industrial Employment (Standing Orders) Act, 1946.

17. Employee's Compensation Act, 1976.

18. Equal Remuneration Act, 1976.

19. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice.

As per the minutes, the decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has issued Shares / Convertible Warrants on Preferential Basis to the persons belonging to Promoter/ Promoter Group.

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146

Hyderabad
13th August, 2018

Note : This report is to be read with my letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

ANNEXURE A

To,
The Members
Pitti Engineering Limited
(Formerly Pitti Laminations Limited)
Hyderabad

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Ajay Kishen
Practicing Company Secretary
FCS: 6298 CP: 5146

Hyderabad
13th August, 2018

REPORT ON CORPORATE GOVERNANCE

The Company is in compliance with the requirements stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) with regard to corporate governance.

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

BOARD OF DIRECTORS

Composition of Board

As on 31st March 2018, the Board has seven Directors, compromising five Independent Directors, (including one Woman Director) and two Promoter Executive Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

Meetings of the Board

Minimum four prescribed Board meetings are held every year. Additional meetings are held to address specific needs of the company. In case of any exigency, emergency resolutions are passed by circulation. Nine Board Meetings were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

28th April 2017; 18th May 2017; 17th July 2017; 17th August 2017; 16th November 2017; 14th December 2017; 27th December 2017; 14th February 2018 and 9th March 2018.

The necessary quorum was present for all the meetings.

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

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

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting and the number of Directorships and Committee Memberships / Chairmanships held by them as on 31st March 2018 is given below.

Name of the Director	Category	Number of Board Meetings attended during the year 2017-18	Whether attended last AGM held on 06.09.2017	Number of Directorships in other Companies	Number of Committees Membership (s)/ Chairmanship(s) held in other public companies*
Shri Sharad B Pitti Chairman & Managing Director DIN 00078716	Promoter Executive Director	5	Yes	4	Nil
Shri Akshay S Pitti Vice-Chairman & Managing Director DIN 00078760	Promoter Executive Director	7	Yes	4	Nil
Shri N R Ganti DIN 00021592	Independent Non-Executive	8	Yes	1	Nil
Shri Gummalla Vijaya Kumar DIN 00780356	Independent Non-Executive	5	Yes	Nil	Nil
Shri M Gopalakrishna, IAS (Retd) DIN 00088454	Independent Non-Executive	9	Yes	9	6
Ms. Gayathri Ramachandran DIN 02872723	Independent Non-Executive	8	Yes	11	6 [Incl. 2 as Chairman]
Shri S Thiagarajan DIN 02721001	Independent Non-Executive	9	Yes	Nil	Nil

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

Necessary disclosures regarding Directorship, Committee Membership / Chairmanship have been made by the Directors. The number of directorship(s), committee membership(s)/ chairmanship(s) of all Directors is within the respective limits prescribed under the Companies Act, 2013 and the Listing Regulations. None of the Directors are related to each other, except Shri Sharad B Pitti and Shri Akshay S Pitti.

Board Evaluation

The Board of Directors upon recommendation of Nomination and Remuneration Committee have laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board and in the evaluation the Director who was subject to evaluation did not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment as and when their respective term expires.

Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the Listing Regulations. The terms and conditions of appointment of Independent Directors are available on website of the Company www.pitti.in.

Meeting of the Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on 17th July 2017 without the presence of Executives. The Independent Directors discussed matters pertaining to the Company's affairs and reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole, and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation programme

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Site visits to various plant locations are organised for the Independent Directors to enable them to understand and acquaint with the operations of the Company. The details of the familiarisation programme for Independent Directors is available on the Company's website www.pitti.in.

Governance policies

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

- Code of conduct & ethics for directors & senior management
- Code for independent directors
- Code of conduct to regulate, monitor & report trading by insiders
- Code of practices and procedures for fair disclosure of unpublished price sensitive information
- Vigil mechanism / Whistle blower policy
- Policy on related party transactions
- Corporate social responsibility policy
- Remuneration policy
- Policy for determining material subsidiaries
- Policy for preservation of documents
- Policy for determining the materiality of an event
- Dividend distribution policy

The above policies are available on the website of the company at www.pitti.in

Equity shares and convertible instruments held by Directors

The number of equity shares and convertible warrants held by the Directors as on 31st March, 2018 is given below:

Name	Equity shares	Convertible warrants
Shri Sharad B Pitti	5564449	Nil
Shri Akshay S Pitti	4158200	1111111
Shri N R Ganti	1600	Nil
Shir Gummalla Vijaya Kumar	20	Nil
Shri M Gopalakrishna, IAS (Retd)	Nil	Nil
Ms. Gayathri Ramachandran, IAS (Retd)	Nil	Nil
Shri S Thiagarajan	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee comprises entirely of Independent Directors. All members of the Audit Committee have accounting, financial and management expertise. The Chairman of the Committee attended the AGM held on 6th September, 2017 to answer the shareholders queries.

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

18th May 2017; 17th August 2017; 14th December 2017 and 14th February 2018

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri S Thiagarajan	Independent Director	Chairman	4	4
Shri N R Ganti	Independent Director	Member	4	4
Shri Gummalla Vijaya Kumar	Independent Director	Member	4	2

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

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

a) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommendation for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.

c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

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

   i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Act;

   ii. Changes, if any, in accounting policies and practices and reasons for the same;

   iii. Major accounting entries involving estimates based on the exercise of judgment by management;

   iv. Significant adjustments made in the financial statements arising out of audit findings;

   v. Compliance with listing and other legal requirements relating to financial statements;

   vi. Disclosure of any related party transactions; and

   vii. Modified opinion(s) in the draft audit report.

e) Reviewing along with the management, the quarterly financial statements before submission to the board for approval.

f) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g) Reviewing and monitory the auditor's independence and performance, and effectiveness of audit process.

h) Approval of any subsequent modification of transactions of the listed entity with related parties.

i) Scrutiny of inter-corporate loans and investments.

j) Valuation of undertakings or assets of the listed entity, whenever it is necessary.

k) Evaluation of internal financial controls and risk management systems.

l) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

n) Discussion with internal auditors of any significant findings and follow up thereon.

o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

r) To review the functioning of the Whistle Blower mechanism.

s) Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate.

t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

u) Review of information by Audit Committee.

i. Management discussion and analysis of financial condition and results of operations;

ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;

iv. Internal audit reports relating to internal control weaknesses;

v. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

vi. Statement of deviations:

- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(7) of the Listing Regulations.

- Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of the Listing Regulations.

Nomination and Remuneration Committee

The Committee's composition is in compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Chairman of the Committee attended the AGM held on 6th September, 2017 to answer the shareholders queries.

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

28th April 2017; 3rd October 2017 and 30th November 2017

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri N R Ganti	Independent Director	Chairman	3	2
Shri S Thiagarajan	Independent Director	Member	3	3
Shri Gummalla Vijaya Kumar	Independent Director	Member	3	3

The terms of reference for the Remuneration and Nomination Committee include the matters as specified in Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Agreement as follows:

a) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal.

b) To formulate criteria for evaluation of Independent Directors and the Board

c) To formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for Directors, key managerial personnel and other employees.

d) Devising a policy on Board diversity.

Performance evaluation criteria for Independent Directors

The performance evaluation criterion for Independent Directors is determined by the Nomination

REPORT ON CORPORATE GOVERNANCE

and Remuneration Committee. An indicative list of factors that were evaluated include participation and contribution by a Director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality, independence of behaviour and judgment.

Remuneration Policy

The key objective of the Remuneration policy is to enable a frame work that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders expectations. The Policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company is available on the Company's website www.pitti.in

Remuneration of Directors

The details of remuneration to the Directors for the financial year ended 31st March, 2018.

(₹ in lakhs)

Name	Salary	Benefits & Allowances*	Sitting Fees	Total
Shri Sharad B Pitti	46.20	2.05	-	48.25
Shri Akshay S Pitti	46.20	2.05	-	48.25
Shri N R Ganti	-	-	3.65	3.65
Shir Gummalla Vijaya Kumar	-	-	2.30	2.30
Shri M Gopalakrishna, IAS (Retd)	-	-	2.40	2.40
Ms. Gayathri Ramachandran, IAS (Retd)	-	-	2.75	2.75
Shri S Thiagarajan	-	-	3.45	3.45

*Benefits & allowances excludes employer's contribution to provident fund, provisions for gratuity and encashable leave at the end of the tenure.

During the year, the Non-Executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. Presently the company does not have any scheme for grant of stock options either to the directors or to the employees of the Company.

Stakeholders Relationship Committee

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

During the year under review, the Committee met four times on the following dates: 18th May 2017; 17th August 2017; 3rd January 2018 and 9th March 2018.

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri Gummalla Vijaya Kumar	Independent Director	Chairman	4	2
Shri N R Ganti	Independent Director	Member	4	4
Ms. Gayathri Ramachandran, IAS (Retd)	Independent Director	Member	4	4

The Broad terms of reference of Stakeholders Relationship Committee include:-

a) Oversee and review all matters connected with the transfer of the Company's securities

b) Approve issue of the Company's duplicate share / debenture certificates

c) Monitor redressal of investors' / shareholders' / security holder grievances

d) Oversee the performance of the Company's Registrars and Transfer Agents

e) Recommend methods to upgrade the standard of services to investors

f) Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading

g) Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Name and Designation of Compliance officer:

Ms. Mary Monica Braganza, Company Secretary & Compliance Officer.

Details of Shareholders complaints received and redressed during the year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	4	4	Nil

Corporate Social Responsibility Committee

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

During the year under review, the Committee met once on 18th May 2017

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

Name	Category	Position	Number of meetings	
			Held	Attended
Shri Sharad B Pitti	Whole-Time-Director	Chairman	1	1
Shri Akshay S Pitti	Whole-Time-Director	Member	1	1
Shri Gummalla Vijaya Kumar	Independent Director	Member	1	1

a) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

b) To recommend the amount of expenditure to be incurred on the activities for the above said purpose.

c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

GENERAL BODY MEETINGS

Annual General Meetings

Year	Date & Time	Venue	Special Resolutions
2014-15	28.09.2015 4.00 pm	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad 500 082	1. Appointment of Shri S Thiagarajan as Independent Director of the Company 2. Ratification of remuneration payable to M/s. Sagar & Associates, Cost Accountants
2015-16	26.09.2016 4.00 pm	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad 500 082	None
2016-17	06.09.2017 4.00 pm	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad 500 082	1. Issue of equity shares and warrants on preferential basis to the promoter and promoter group

REPORT ON CORPORATE GOVERNANCE

Details of special resolution passed through postal ballot:

During the previous year 2016-17, the Company had approached the shareholders through postal ballot. The details of the postal ballot are given below:

Date of postal ballot notice	13th February 2017
Date of declaration of results	6th April 2017
Voting Period	6th March 2017 to 4th April 2017

Name of the resolution	Type of resolution	No. of votes polled	Votes caste in favour		Votes caste against	
			No. of votes	%	No. of votes	%
Increase of authorised share capital and consequential alteration of memorandum of association	Ordinary	1,77,18,270	1,77,18,017	99.999	253	0.001
Preferential issue of equity shares and warrants	Special	1,77,18,270	1,77,16,133	99.988	2,137	0.012

Shri S Chidambaram, Practising Company Secretary was appointed as Scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

Procedure for postal ballot:

The Company conducted the postal ballot in accordance with the provisions of Section 110 of the Act read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules"). The Company had completed the dispatch of the postal ballot notice dated 13th February, 2017 along with the explanatory statement, postal ballot form and self-addressed business reply envelopes on 4th March, 2017 to the shareholders who had not registered their e-mail IDs with the Company/Depositories and also sent by e-mail the said documents to shareholders whose e-mail IDs were registered with the Company/Depositories. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the provisions of the Act and Rules framed thereunder. In compliance with the provisions of Sections 108 and 110 of the Act and rule 20 and 22 of the Rules read with Regulation 44 of the Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically. The voting under the postal ballot was kept open from 6th March, 2017 (9.00 a.m. IST) to 4th April, 2017 (5.00 p.m. IST). Upon completion of scrutiny of the postal ballot forms and votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Shri S Chidambaram, Practising Company Secretary submitted his report to the Company and the results of the postal ballot were announced by the Company on 6th April, 2017. The voting results were sent to the Stock Exchanges and also displayed on the Company's website www.pitti.in.

Details of special resolution proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot at the AGM to be held on 24th September, 2018.

DISCLOSURES

a) Related party transactions

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

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

During the year, the Company has entered into transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of related party transactions are provided in Note 2.13 of the Notes to Financial Statements.

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

The Company's policy on materiality of related party transactions and dealing with related party transactions is put up on the Company's website and can be accessed at www.pitti.in.

b) Details of Non-compliances

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

c) Vigil mechanism / Whistle blower policy

The Company has adopted a whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of the Listing Regulations for the Directors

and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy. The policy provides for adequate safeguards against victimisation of employees who avail of the mechanism. During the year under review, no personnel was denied access to the Audit Committee.

d) Adoption of Mandatory and Non-Mandatory Requirements

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

- The financial statements for the year ending 31st March 2018 do not contain any audit qualification.
- The Internal auditor reports to the Audit Committee.

e) Subsidiary

The Company has framed a policy for determining material subsidiary and the same is available on Company's website at www.pitti.in. However, the Company currently does not have any subsidiaries.

f) Commodity price risk and Commodity hedging activities

The Company is exposed to the risk of foreign exchanges fluctuations. The Company proactively manages its risk through forward/derivative booking contracts. Please refer the Management Discussion and Analysis Report for the same.

g) Disclosure of accounting treatment

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

h) Risk management

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

MEANS OF COMMUNICATION

Quarterly results and filings

The approved financial results are filed with the Stock Exchanges and are published in Business Line, a national level English newspaper as well as in Andhra Prabha, a regional language newspaper circulating in the state of Telangana. The financial results of the Company are also available on the websites of BSE Ltd and National Stock Exchange of India Ltd viz. www.bseindia.com and www.nseindia.com.

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

Presentations to institutional investors / analysts :

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

Website

The Company's website (www.pitti.in) contains a separate dedicated section 'Investors Desk' which gives information on shareholding pattern, financial results and other relevant information of interest to the investors. The Company's annual report is also available in downloadable form on the Company's website.

GENERAL SHAREHOLDER INFORMATION

Company Registration details

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

Annual General Meeting for the Financial Year 2017-18

Day & Date	:	Monday, 24th September 2018
Time	:	4.00 pm
Venue	:	West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad 500 082

As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/re-appointment at this AGM are given in the annexure to the notice of this AGM.

REPORT ON CORPORATE GOVERNANCE

Financial Calendar

Financial Year	:	1st April to 31st March
Tentative calendar for declaration of results for quarter ending		
June 30, 2018	:	on or before August 14, 2018
September 30, 2018	:	on or before November 14, 2018
December 31, 2018	:	on or before February 14, 2019
March 31, 2019	:	on or before May 30, 2019
Dividend	:	No dividend for the FY 2017-18 is proposed
Book Closure	:	From 18th September 2018 to 24th September 2018 both days inclusive

Listing information

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

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

* Consequent to change in name of the Company from Pitti Laminations Limited to Pitti Engineering Limited the scrip code of the company has been changed from PITTILAM to PITTIENG.

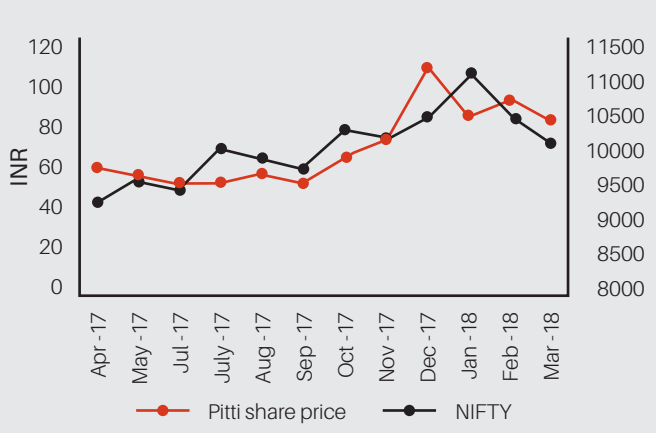
The Company has paid the requisite annual listing fees to both the Stock Exchanges for financial year 2018-19. The securities of the Company have never been suspended from trading.

Stock market price data

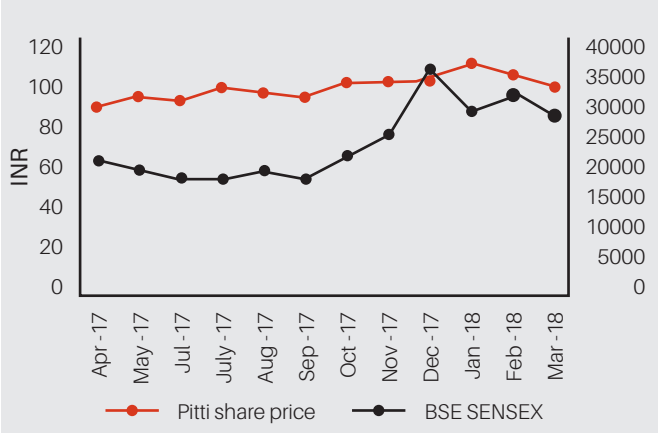
	National Stock Exchange (NSE)			BSE Limited (BSE)		
Month	High price ₹	Low price ₹	Volume (Nos)	High price ₹	Low price ₹	Volume (Nos)
April 2017	65.65	61.55	965564	68.55	61.30	274273
May 2017	64.75	54.75	1124221	68.80	54.00	308241
June 2017	58.55	54.25	903198	60.70	54.15	187083
July 2017	57.60	51.65	650761	60.35	50.30	210739
August 2017	64.35	47.90	2543943	65.65	46.50	734883
September 2017	63.65	54.30	1009934	64.55	54.30	495617
October 2017	71.75	54.65	3305231	74.90	54.25	1139159
November 2017	78.35	64.20	3539418	80.05	63.95	1051748
December 2017	114.95	81.35	11980483	118.60	77.50	2596237
January 2018	105.15	84.45	2237496	113.00	83.50	481033
February 2018	97.70	74.35	1778114	108.00	72.10	358452
March 2018	92.85	77.50	919939	94.95	76.50	228478

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

Pritti share price and NIFTY movement



Pritti share price and BSE SENSEX movement



Registrar and share transfer agents

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

Share transfer system

The share transfer activities in respect of shares in physical mode are carried out by XL Softech Systems Limited. The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board has delegated the authority for approving share transfers and transmission to the share transfer committee. A summary of the approved transfers, transmissions etc are placed before the Board of Directors and Stakeholders' Relationship Committee from time to time as per the Listing Regulations.

The Registrar of the Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgement of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the Listing Regulations. The said certificate is submitted by the Company to the Stock Exchanges.

Distribution of shareholding as on 31st March, 2018

Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	9979	82.28	1723906	5.78
5001 to 10000	1034	8.52	848251	2.84
10001 to 20000	496	4.09	786277	2.64
20001 to 30000	183	1.51	470955	1.58
30001 to 40000	79	0.65	291841	0.98
40001 to 50000	75	0.62	351265	1.18
50001 to 100000	150	1.24	1098598	3.68
Above 100000	132	1.09	24256752	81.32
Total	**12128**	**100.00**	**29827845**	**100.00**

Shareholding pattern as on 31st March, 2018

Category	No of Shares	%
Promoters & Promoter group	19033825	63.81
Foreign portfolio investors	868998	2.91
Financial institutions/Banks	29847	0.10
Individuals	7814715	26.20
Bodies Corporate	1566750	5.25
NRI	424837	1.43
Clearing Members	87253	0.29
Directors and Relatives	1620	0.01
Total	**29827845**	**100.00**

Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 98.84% of the Company's equity share capital are dematerialised as on 31st March, 2018. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE450D01021

Mode of holding	No of Shares	%
NSDL	25329226	84.92
CDSL	4152563	13.92
Physical	346056	1.16
Total	**29827845**	**100.00**

REPORT ON CORPORATE GOVERNANCE

The annual custody /issuer fee for the financial year 2018-19 has been paid by the Company to Central Depository Services Limited and National Securities Depository Limited.

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

SEBI has vide notification No. SEBI/LAD/NRO/GN/2018/24 dated 8th June, 2018 made transfer of shares of listed companies to be mandatorily in demat mode only. Effective from 5th December, 2018, the shares of the Company can be transferred only in dematerialised form. With a view to facilitate seamless transfer of shares in future and as advised by the Stock Exchanges, shareholders holding shares in physical form are requested to dematerialise their shareholding in the Company. Such shareholders may, accordingly, get in touch with any Depository Participant having registration with SEBI to open a demat account.

The Shareholders who continue to hold shares in physical form are requested to dematerialise their shares and avail of the various benefits of dealing in securities in electronic / dematerialised form.

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

The Company does not have any outstanding GDRs/ADRs /Convertible Instruments as on 31st March, 2018.

During the year under review the Company has alloted 22,22,222 convertible warrants at a price of ₹ 90/- each to be converted into 22,22,222 equity shares of ₹ 5/- (including a premium of ₹ 85/- per share) to the persons belonging to Promoter/ Promoter Group. The equity share capital on full conversion of warrants would increase to 3,20,50,067 equity shares of ₹ 5/- each to from the existing 2,98,27,845 equity shares of ₹ 5/- each.

The subscription amount of 25% of warrant price has been received and fully paid-up equity shares of the Company will be allotted on receipt of balance 75% warrant price within 18 months from 14th February, 2018.

Plant locations

The Company is operating at the 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

Address for correspondence

For shares held in physical form	For shares held in demat form
XL Softech Systems Limited 3, Sagar Society, Road No. 2 Banjara Hills, Hyderabad – 500 034 Ph: +91 40 23545913 / 14 / 15 Fax: +91 40 23553214 Email: xlfield@gmail.com	To the Depository Participant
For query on Annual Report	For investor grievances
Ms. Mary Monica Braganza Company Secretary & Compliance officer Pitti Engineering Limited [Formerly Pitti Laminations Limited] 6-3-648/401, IV Floor Padmaja Landmark Somajiguda Hyderabad – 500 082 Ph: 040-23312774 Email: shares@pitti.in	Email: shares@pitti.in

Unclaimed Dividend

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

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

Financial Year	Date of Declaration	Due date for transfer
2010-11	11.08.2011	17.09.2018
2011-12	06.08.2012	11.09.2019
2012-13	16.09.2013	22.10.2020
2013-14	22.09.2014	28.10.2021
2014-15 Interim	28.01.2015	05.03.2022
2014-15 Final	28.09.2015	03.11.2022

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

The details of the unpaid / unclaimed amounts lying with the Company as on 6th September 2017 (date of last Annual General Meeting) are available on the website of the Company.

Unclaimed dividend and equity shares proposed for transfer to the Investor Education and Protection Fund

The Company has initiated necessary action for transfer of shares in respect of which dividend has not been paid or claimed by the members consecutively since 2010-11. Communication has been sent to the concerned Shareholders advising them to write to the Company or to XL Softech Systems Limited, the Registrars and Share Transfer Agents to claim their dividend. Notices in this regard have also been published in the Newspapers. Details of such unclaimed dividend and corresponding shares are available on the Company's website www.pitti.in. Attention in particular is drawn that the unclaimed dividend for the financial year 2010-11 and the corresponding shares will be due for transfer to IEPF on 17th September, 2018.

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

No unclaimed dividend was due for transfer to the IEPF during the financial year 2017-18. In accordance with the provisions of the Companies Act, 2013 the Company has transferred 1,75,400 equity shares on 2nd December 2017 and 1,00,038 equity shares on 9th January 2018 to the credit of IEPF Authority during the year in respect of which dividend had not been paid or claimed by the members for seven consecutive years or more as on the cut-off date, i.e. October 31, 2017.

The Shareholders may claim their unclaimed dividend for the years prior to the financial year 2009-10 and the corresponding shares, from the IEPF Authority by applying in the prescribed Form No. IEPF-5. This Form can be downloaded from the website of the IEPF Authority www.iepf.gov.in, the access link of which is also available on the Company's website www.pitti.in under the section 'Investor Desk'.

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

REPORT ON CORPORATE GOVERNANCE

Equity shares in the suspense account

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

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholder and the outstanding shares lying in the unclaimed suspense account as on 1st April, 2017	1005	246600
Aggregate number of shareholders and the outstanding shares transferred to the unclaimed suspense account during the year	5	2600
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	10	2000
Number of shareholders to whom the shares were transferred from the unclaimed suspense account during the year	10	2000
Number of shareholders whose unclaimed dividends were transferred to the IEPF account as per section 124 of the Companies Act, 2013	728	175400
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31st March, 2018	272	71800

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

Compliance certificate of the Auditors

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

DECLARATION

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the company's Code of Conduct and Ethics for the year ended 31st March, 2018.

For and on behalf of the Board of Directors

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

Place : Hyderabad
Date : 13th August, 2018

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Members of
Pitti Engineering Limited
(Formerly Pitti Laminations Limited)

We have examined the compliance of conditions of Corporate Governance by Pitti Engineering Limited (Formerly Pitti Laminations Limited) for the year ended 31st March 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations as applicable.

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

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Dayaniwas Sharma
Partner
Membership Number: 216244

Place : Hyderabad
Date : 13th August, 2018

CEO / CFO CERTIFICATION

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

We the undersigned, in our respective capacities as Chairman & Managing Director and President – Corporate Resources & CFO of Pitti Engineering Limited formerly Pitti Laminations Limited ("the Company") to the best of our knowledge and belief certify that:

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief, we state that:

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading:

   ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, no transactions are entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.

c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting of the company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee:

   i. significant changes, if any, in internal control over financial reporting during the year;

   ii. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **Pitti Engineering Limited**

Sharad B Pitti
Chairman & Managing Director
DIN: 00078716

N. K. Khandelwal
President – Corporate Resources & CFO
M.No.074967

Place : Hyderabad
Date : 13th August, 2018

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PITTI ENGINEERING LIMITED (formerly known as Pitti Laminations Limited).

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Pitti Engineering Limited (the 'Company') (formerly known as Pitti Laminations Limited), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2018, its profit

(financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. As required by Section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued thereunder.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in"**Annexure B**"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.2 to the financial statements;

   (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Dayaniwas Sharma
Partner
Membership Number: 216244
Place : Hyderabad
Date : 16th May 2018

ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

(i). a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b. All the assets are not physically verified by the Management during the year as there is a phased programme of verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii). The inventory has been physically verified on sample basis by the management during the year except material lying with the third parties (which have substantially been confirmed by third party). The discrepancies noticed on verification between the physical stocks and the book/records were not material, nevertheless those have been dealt properly within the books of accounts.

(iii). According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, para 3(iii) (a), (b) and (c) of the order are not applicable.

(iv). In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v). In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

(vi). We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii). a). According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Goods and Service Tax and any other statutory dues applicable to it as on 31st March 2018. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, Goods and Service Tax and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.

b). According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth Tax, Service tax, Customs duty, Excise duty, Value added tax, Cess and Goods and Service Tax which have not been deposited with the appropriate authorities on account of any dispute except as under:

(₹ in lakhs)

Nature of Statute	Nature of Dues	Period	As at 31.03.2018	Forum where dispute is pending
Service Tax	Matters under Dispute	F.Y. 2008 – 2012	68.55	CESTAT, Bangalore
Total (B)			68.55	

(viii). According to the information and explanation given to us, the company has not defaulted in repayment of dues to bank and financial institutions as at balance sheet date.

(ix). The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) however company has taken term loans during the year, according to the information and explanation given to us, the money raised by way of term loans were applied for the purpose for which it was raised.

(x). According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii). In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii). According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv). According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of equity shares.

Particulars	As at 31.03.2018	
	No. of Shares	Amount in ₹
	Equity Shares	
At the beginning of the period	2,69,83,400	13,49,58,500
Add: Issued during the year	28,44,445	1,42,22,225
At the closing of the period	2,98,27,845	14,91,80,725

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

(xvi). The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Dayaniwas Sharma
Partner
Membership Number: 216244
Place : Hyderabad
Date : 16th May 2018

ANNEXURE - B TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of **Pitti Engineering Limited** ("the Company") (formerly known as Pitti Laminations Limited) as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting

principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Laxminiwas & Co.**
Chartered Accountants
Firm's Registration Number: 011168S

Dayaniwas Sharma
Partner
Membership Number: 216244
Place : Hyderabad
Date : 16th May 2018

BALANCE SHEET

as at 31st March, 2018

(₹ in lakhs)

Particulars	Notes	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	3A	19,667.12	9,227.19	9,293.33
(b) Assets held for Sale	3A	262.00	-	-
(c) Capital work-in-progress		934.15	3,143.32	1,169.74
(d) Intangible Assets	3B	468.09	126.29	52.86
(e) Financial Assets				
(i) Investments	4A	1,734.84	1,734.84	1,734.84
(ii) Other financial assets	4B	95.66	89.61	86.31
(f) Other non-current assets	5	362.93	2,029.38	97.96
Total Non - Current Assets		**23,524.79**	**16,350.63**	**12,435.04**
Current Assets				
(a) Inventories	6	12,916.37	12,655.18	10,104.90
(b) Financial Assets				
(i) Investments	7A	1.63	1.72	0.80
(ii) Trade receivables	7B	13,683.25	8,985.51	12,384.85
(iii) Cash and Cash equivalents	7C	1,352.41	1,101.68	1,822.97
(iv) Other financial assets	7D	78.75	57.71	90.90
(c) Other current assets	8	3,331.20	1,849.98	689.96
Total Current Assets		**31,363.61**	**24,651.78**	**25,094.38**
TOTAL ASSETS		**54,888.40**	**41,002.41**	**37,529.42**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	9	1,491.81	1,349.59	1,349.59
(b) Other equity	10	13,464.59	9,892.38	9,352.01
(c) Monies Recieved against Warrants		500.00	-	-
Total Equity		**15,456.40**	**11,241.97**	**10,701.60**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	11	8,868.19	5,710.98	2,601.87
(b) Provisions	12	463.74	109.39	75.28
(c) Deferred tax liabilities(net)	13	970.51	480.78	544.32
Total Non-Current Liabilities		**10,302.44**	**6,301.15**	**3,221.47**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	14A	14,757.23	10,886.10	15,283.45
(ii) Trade payables	14B			
Dues to micro and small enterprises		64.64	87.89	112.57
Dues to others		10,743.31	10,472.71	6,545.57
(iii) Other financial liabilities	14C	2,399.92	1,732.65	1,320.03
(b) Other current liabilities	15	587.89	10.49	181.13
(c) Provisions	16	204.07	166.84	163.60
(d) Income tax liabilities (net)	17	372.50	102.61	-
Total Current Liabilities		**29,129.56**	**23,459.29**	**23,606.35**
TOTAL EQUITY AND LIABILITIES		**54,888.40**	**41,002.41**	**37,529.42**

Significant accounting policies and notes on accounts 1 & 2

As per our Report of even date

for **Laxminiwas & CO**
Chartered Accountants
Firm's Registration Number : 011168S

Dayaniwas Sharma
Partner
M. No : 216244

Place : Hyderabad
Date : 16th May 2018

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

Sharad B Pitti
Chairman & Managing Director
DIN : 00078716

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

Place : Hyderabad
Date : 16th May 2018

N. R. Ganti
Director
DIN : 00021592

N. K. Khandelwal
President - Corporate Resources & CFO
M. No : 074967

STATEMENT OF PROFIT & LOSS

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	Notes	For the Year 2017-18	For the Year 2016-17
INCOME			
Revenue from operations	18 A	38,429.72	30,286.58
Other Operating revenue	18 B	326.07	286.61
Total Revenue from Operations		**38,755.79**	**30,573.19**
Other income	19	294.30	306.90
Total Revenue		**39,050.09**	**30,880.09**
EXPENSES			
Cost of Materials consumed	20	22,829.08	19,150.39
Purchase of stock-in-trade		2,045.62	-
Changes in inventories of work-in-process, finished goods and scrap	21	(196.68)	(1,537.41)
Excise duty	18A	723.35	1,983.47
Employee benefits expenses	22	3,561.78	3,315.36
Finance costs	23	2,357.86	1,531.60
Depreciation and amortization expenses	3A & 3B	1,763.21	1,617.40
Other expenses	24	4,334.38	4,307.72
Total Expenses		**37,418.60**	**30,368.53**
Profit before tax		1,631.49	511.56
Tax Expenses	25		
(a) Current tax		-	144.07
(b) Tax relating to earlier years		13.80	-
(c) Deferred tax		489.73	(63.54)
Total Tax Expenses		**503.53**	**80.53**
Profit for the period		**1,127.96**	**431.03**
Other Comprehensive Income	26		
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the net defined benefit liability/assets		26.54	108.43
Change in fair value of current investment		(0.09)	0.91
(ii) Items that will be reclassified subsequently to profit or loss			
Total other comprehensive income		**26.45**	**109.34**
Total Comprehensive Income		**1,154.41**	**540.37**
Earnings per Equity Share of Face Value of ₹ 5/- each	2.1		
(a) Basic		4.22	2.00
(b) Diluted		3.91	2.00
Significant accounting policies and notes on accounts	1 & 2		

As per our Report of even date

for **Laxminiwas & CO**
Chartered Accountants
Firm's Registration Number : 011168S

Dayaniwas Sharma
Partner
M. No : 216244

Place : Hyderabad
Date : 16th May 2018

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

Sharad B Pitti
Chairman & Managing Director
DIN : 00078716

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Place : Hyderabad
Date : 16th May 2018

N. R. Ganti
Director
DIN : 00021592

N. K. Khandelwal
President - Corporate Resources & CFO
M. No : 074967

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2018

(A) EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as at 1 April, 2015	1,349.59
Changes in equity share capital during the year	-
Balance as at 31 March, 2016	1,349.59
Balance as at 1 April, 2016	1,349.59
Changes in equity share capital during the year	-
Balance as at 31 March, 2017	1,349.59
Balance as at 1 April, 2017	1,349.59
Changes in equity share capital during the year	142.22
Balance as at 31 March, 2018	**1,491.81**

(B) OTHER EQUITY

(₹ in lakhs)

	Securities Premium Reserve	General Reserve	Retained Earnings	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Total Other Equity
Balance as on 31 March, 2016 (As per IGAAP)	3,799.79	750.48	4,795.57	-	-	9,345.84
Ind AS Adjustments:						
Unamortized cost of bank borrowings	-	-	5.33	-	-	5.33
Unwinding Interest	-	-	(8.35)	-	-	(8.35)
Fair Valuation of investments	-	-	93.84	0.69	-	94.53
Actuarial Gain / (Loss)	-	-	(118.39)	-	118.39	-
Capitalization of Tools	-	-	64.06	-	-	64.06
Deferred Tax on adjustments	-	-	(149.40)	-	-	(149.40)
Balance as on 1 April, 2016 (As per Ind AS)	**3,799.79**	**750.48**	**4,682.66**	**0.69**	**118.39**	**9,352.01**
Balance as on 1 April, 2016 (As per Ind AS)	3,799.79	750.48	4,682.66	0.69	118.39	9,352.01
Profit and loss during period	-	-	431.03	-	-	431.03
Ind AS Adjustments:						
Fair Valuation of investments	-	-	-	0.91	-	0.91
Actuarial Gain / (Loss)	-	-	-	-	108.43	108.43
Balance as on 31 March, 2017	3,799.79	750.48	5,113.69	1.60	226.82	9,892.38
Balance as on 1 April, 2017	**3,799.79**	**750.48**	**5,113.69**	**1.60**	**226.82**	**9,892.38**
Profit and loss during period	-	-	1,127.96	-	-	1,127.96
Add : Premium on Shares issued during the year	2,417.80	-	-	-	-	2,417.80
Fair Valuation of investments	-	-	-	(0.09)	-	(0.09)
Actuarial Gain / (Loss)	-	-	-	-	26.54	26.54
Balance as on 31 March, 2018	**6,217.59**	**750.48**	**6,241.65**	**1.51**	**253.36**	**13,464.59**

As per our Report of even date

for **Laxminiwas & CO**
Chartered Accountants
Firm's Registration Number : 011168S

Dayaniwas Sharma
Partner
M. No : 216244

Place : Hyderabad
Date : 16th May 2018

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

Sharad B Pitti
Chairman & Managing Director
DIN : 00078716

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

Place : Hyderabad
Date : 16th May 2018

N. R. Ganti
Director
DIN : 00021592

N. K. Khandelwal
President - Corporate Resources & CFO
M. No : 074967

CASH FLOW STATEMENT

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	For the Year 2017-18		For the Year 2016-17	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	1,631.49		511.56	
Adjusted for				
Depreciation	1,763.21		1,617.40	
Interest Income	(115.50)		(105.08)	
Bad debts written off	21.07		50.17	
Loss / (Profit) on sale of fixed assets (net)	88.19		(7.92)	
Re-measurement gains/(losses) on employee defined benefit plans	26.54		108.43	
Unrealised foreign exchange differences	236.31		(161.41)	
Finance Costs	2,357.86	6,009.17	1,531.60	3,544.75
Operating Profit before Working Capital changes		**6,009.17**		**3,544.75**
Working Capital changes adjusted for				
Trade & Other financial and non financial assets	(4,043.54)		2,597.83	
Inventories	(261.19)		(2,550.28)	
Trade Payables and other financial and non finacial liabilities	1,326.56		3,738.37	
		(2,978.17)		3,785.92
Cash generated from operations		**3,031.00**		**7,330.67**
Taxes Paid		(110.03)		(41.46)
Cash Flow before extraordinary items		2,920.97		7,289.21
Net Cash Flow From Operating Activities - (A)		**2,920.97**		**7,289.21**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets		(11,256.34)		(3,834.58)
Advances to Fixed Assets		(261.60)		(1,970.24)
Proceeds from sale of fixed assets		37.83		35.39
Advance received for Assets held for sale		100.00		-
Interest income received		93.91		133.94
Net Cash used in Investing Activities - (B)		**(11,286.20)**		**(5,635.49)**

CASH FLOW STATEMENT

for the year ended 31st March, 2018

(₹ in lakhs)

Particulars	For the Year 2017-18		For the Year 2016-17	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	2,560.00		-	
Proceeds from issue of share warrants	500.00		-	
Finance charges	(2,356.61)		(1,520.61)	
Working Capital Borrowings	3,871.13		(4,397.35)	
Increase in investment	0.09		(0.92)	
Long Term Funds (Term Loans from finacial institutions and other unsecured loans)	6,464.54		3,911.61	
Long Term Funds (Funds from Promoters and Promoters Group converted to Share Capital)	(2,560.00)		-	
		8,479.15		(2,007.27)
Net Cash used in Finance Activities - (C)		**8,479.15**		**(2,007.27)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**113.92**		**(353.55)**
Opening Balance in Cash and Cash Equivalents		**228.17**		**581.72**
Closing Balance in Cash and Cash Equivalents		**342.09**		**228.17**
Components of cash and cash equivalents:				
Cash on hand		2.92		3.65
Balances with banks				
On current accounts		10.07		5.45
On EEFC accounts		0.97		1.00
Term Deposit Accounts with in 3 months of maturity		305.69		195.58
On unpaid dividend account		22.44		22.49
Total cash and cash equivalents		**342.09**		**228.17**

As per our Report of even date

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

for **Laxminiwas & CO**
Chartered Accountants
Firm's Registration Number : 011168S

Dayaniwas Sharma
Partner
M. No : 216244

Place : Hyderabad
Date : 16th May 2018

Sharad B Pitti
Chairman & Managing Director
DIN : 00078716

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

Place : Hyderabad
Date : 16th May 2018

N. R. Ganti
Director
DIN : 00021592

N. K. Khandelwal
President - Corporate Resources & CFO
M. No : 074967

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1. Corporate Information

Pitti Engineering Limited (Formerly Pitti Laminations Limited) ("the Company") is a public Company domiciled in India and incorporated under the Companies Act, 1956. Its shares are listed on BSE Ltd and National Stock Exchange of India Ltd. The company is engaged in the manufacturing of Electrical Steel Laminations, Motor Cores, Sub-Assemblies, Die-Cast Rotors, Press Tools and machining of metal components.

1.2. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies Accounting Standard (Amendment Rules 2016).

The financial statements are the company's first Ind AS and covered by Ind AS 101 'first time adoption of Indian Accounting Standards for the financial year 2017-18. For all periods up to and including the year ended 1st April 2016, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with the Companies (Accounts) Rules, 2014 (Indian GAAP).

An explanation of how the transition to Ind AS has affected the company's equity and its net profit is provided in Note 2.22.

1.3. Preparation of Financial Statements

(a) Basis of Accounting

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Historical cost is generally based on fair value of the consideration given in exchange for goods and services

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 company 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 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 Company's financial statements requires 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 financial statements are prudent and reasonable.

(c) Current/ Non-Current Classification

The Company 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

NOTES TO FINANCIAL STATEMENTS

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 company classifies all other liabilities as non-current.

1.4. Property, Plant and Equipment

Freehold land is carried at historical costs. 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 CENVAT / Value Added Tax / 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. Likewise, when a major inspection is preformed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Dismantling cost is estimated at 5% of the original cost of the assets and to that extent the provision is created and shown under non-current liability.

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.

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 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, except tools which are depreciated as per number of strokes, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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.

NOTES TO FINANCIAL STATEMENTS

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

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 value of the replaced component 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 assets is derecognized.

1.5. Revenue / Expenditure Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

(a) Interest income

Interest Income from financial asset is recognized when it is probable that the economic benefits flow to the company 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 Company'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 such as duty drawback and premium on sale of import licenses, and lease license fee are recognized on accrual basis.

1.6. Investments

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.

Equity investments are stated at fair value.

1.7. Inventories

(a) Inventories include Raw Material, work in progress, finished goods, scrap and stores, spares and consumables are carried at the lower of cost and net realizable value.

NOTES TO FINANCIAL STATEMENTS

(b) The following basis of valuation is applied for valuation of Inventories.

Sl. No.	Particulars	Basis of Valuation
1	Raw Material	Weighted average cost or net realizable value whichever is lower
2	Work In Process	Weighted average cost or net realizable value whichever is lower
3	Finished Goods	Weighted average cost or net realizable value whichever is lower
4	Stores & Spares	Weighted average cost or net realizable value whichever is lower
5	Scrap	At Realizable value

(c) The cost of inventories have been computed to include all cost of purchases, cost of conversion, standard overheads and other related cost incurred in bringing the inventories to their present condition.

(d) Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

1.8. Foreign Currency Transactions and Balances

(a) Initial Recognition

Foreign currency transactions are recorded using the exchange rates prevailing on the date's respective transactions. 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) Forward Contracts

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments.

The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.9. Employee Benefits

Defined Contribution Plan:

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

Defined Benefit Plan:

Gratuity: In accordance with applicable Indian Laws, the 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 on actuarial valuation 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 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

NOTES TO FINANCIAL STATEMENTS

credit to retained earnings through 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 Company recognizes related restructuring costs

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

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

(ii) Net interest expense or income

1.10. Borrowing Costs

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

Borrowing costs, which are directly attributable to the acquisition/ construction 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.

1.11. 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.

1.12. Impairment

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

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

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

1.13. Earnings Per Share

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

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

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

NOTES TO FINANCIAL STATEMENTS

of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

1.14. SEGMENT REPORTING

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 only one business segments as the primary segments for disclosure. Geographical segment is recognized as Secondary Segment.

1.15. Provisions And Contingencies

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

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

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

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

1.16. Taxation

Current Income Tax

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

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

(ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized

NOTES TO FINANCIAL STATEMENTS

deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.17. Financial Instruments

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

Financial Assets

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, 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 company 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 company. 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 AS 103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company 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 company 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 company 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 company has transferred substantially all the risks and rewards of the

NOTES TO FINANCIAL STATEMENTS

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

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 company'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 company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the 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 company 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 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.

NOTE 2: NOTES TO ACCOUNTS

Please refer to page 97 for notes to accounts

NOTES TO FINANCIAL STATEMENTS

NOTE: 3A & 3B

Property, Plant & Equipment, Capital Work-In-Progress, Intangible Assets and Assets Held for Sale

(₹ in lakhs)

Particulars	Gross Block				Depreciation					Net Block		
	As at 01.04.2017	Additions	Adjustments	As at 31.03.2018	As at 01.04.2017	For The Year	For Reserves	Adjustments	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Tangible Assets: 3A												
Land	233.27	483.59	-	716.86	-	-	-	-	-	716.86	233.27	233.27
Factory Building												
- on Own premises	1,595.24	1,720.01	-	3,315.25	505.71	59.42	-	-	565.13	2,750.12	1,089.53	1,138.49
- on Lease hold Property	861.49	-	40.44	821.05	501.92	48.76	-	21.65	529.03	292.02	359.57	411.13
Plant & Equipment												
- Own Plant & Equipment	12,690.88	7,308.08	17.27	19,981.69	7,382.13	1,298.69	-	15.98	8,664.84	11,316.85	5,308.75	5,296.01
- Lease hold Plant & Equipment	-	1,919.17	-	1,919.17	-	37.46	-	-	37.46	1,881.71	-	-
Tools	1,842.18	813.34	117.89	2,537.63	-	112.94	-	8.57	104.37	2,433.26	1,842.18	1,716.31
Office Equipment	215.51	9.03	0.50	224.04	136.25	27.75	-	0.47	163.53	60.51	79.26	95.48
Furniture & Fixtures	199.82	10.34	-	210.16	166.85	6.57	-	-	173.42	36.74	32.97	42.28
Other-Computers	480.18	33.22	-	513.40	406.65	38.00	-	-	444.65	68.75	73.53	102.72
Vehicles	487.71	246.63	111.20	623.14	279.58	58.21	-	86.95	250.84	372.30	208.13	257.64
Less : Assets held for Sale (Land and Building)	(453.04)	-	-	(453.04)	(184.74)	-	-	6.30	(191.04)	(262.00)	-	-
Sub Total	**18,153.24**	**12,543.41**	**287.30**	**30,409.35**	**9,194.35**	**1,687.80**	**-**	**139.92**	**10,742.23**	**19,667.12**	**9,227.19**	**9,293.33**
Capital Work In Progress	**3,143.32**	**10,145.31**	**12,354.48**	**934.15**	**-**	**-**	**-**	**-**	**-**	**934.15**	**3,143.32**	**1,169.74**
Note: 3B												
Intangible Assets												
Computer Software	380.35	360.10	-	740.45	343.31	49.38	-	-	392.70	347.75	37.02	52.86
Product Development Expenses	89.27	57.10	-	146.37	-	26.03	-	-	26.03	120.34	89.27	-
Sub Total	**469.62**	**417.20**	**-**	**886.82**	**343.31**	**75.41**	**-**	**-**	**418.73**	**468.09**	**126.29**	**52.86**
Total	**18,622.86**	**12,960.61**	**287.30**	**31,296.17**	**9,537.66**	**1,763.21**	**-**	**139.92**	**11,160.96**	**20,135.21**	**9,353.48**	**9,346.19**
Net Block of Assets										20,135.21	9,353.49	9,346.19
Previous Year	18,035.84	1,664.44	376.46	19,323.82	8,689.65	1,617.40	-	336.72	9,970.33	9,353.49	9,346.19	8,698.95

NOTES TO FINANCIAL STATEMENTS

NOTE 4A : INVESTMENTS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade investment			
Investment with Pitti Castings Private Ltd (Unquoted)			
a. Equity Shares	501.84	501.84	501.84
(40,80,000 equity shares at face value ₹ 10/- each, previous year 40,80,000) Recognized as per Fair Market Value of ₹ 12.30/- each			
b. Redeemable Preferential shares	1,233.00	1,233.00	1,233.00
(1,23,30,000 Preferential shares (non-cumulative non-participative redeemable) at face value ₹ 10/- each)			
Total	**1,734.84**	**1,734.84**	**1,734.84**

NOTE 4B : OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, considered good			
Other than Govt. Bodies			
Rent	90.84	89.26	85.18
With suppliers	4.82	0.35	1.13
Total	**95.66**	**89.61**	**86.31**

NOTE 5 : OTHER NON CURRENT ASSETS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured, considered good			
Capital Advance for Fixed Assets	261.60	1,970.24	44.26
Deposits:			
With Govt. bodies	101.33	59.14	53.70
Total	**362.93**	**2,029.38**	**97.96**

NOTE 6 : INVENTORIES

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(At lower of cost or Net realisable value)			
Raw material	3,195.58	3,417.40	2,729.10
Material in Transit	21.16	25.58	-
Work in process	2,411.09	2,698.37	1,467.49
Finished goods	6,302.85	5,834.20	5,528.20
Stores and spares	956.96	666.21	367.22
Scrap	28.73	13.42	12.89
Total	**12,916.37**	**12,655.18**	**10,104.90**

NOTES TO FINANCIAL STATEMENTS

NOTE 7A : INVESTMENTS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Investment in Equity Shares			
I. Quoted			
Development Credit Bank Ltd.	1.62	1.71	0.79
Face Value 1,000 Equity Shares of ₹ 10/- each			
Recognized as per Fair Market Value			
II. Unquoted			
Saraswat Co-operative Bank Ltd.			
50 Equity Shares of ₹ 10/- each (Unquoted)	0.01	0.01	0.01
Total	**1.63**	**1.72**	**0.80**

NOTE 7B : TRADE RECEIVABLES

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured, considered good)			
Overdue Outstanding for a period exceeding six months	162.36	71.10	59.81
Others	13,520.89	8,914.41	12,325.04
Total	**13,683.25**	**8,985.51**	**12,384.85**

NOTE 7C : CASH AND CASH EQUIVALENTS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash on Hand	2.92	3.65	3.05
Balances with banks			
Current Accounts	10.07	5.45	7.22
EEFC Accounts	0.97	1.00	-
Term Deposit Accounts with in 3 months of maturity	305.69	195.58	546.26
Unclaimed dividend account (Refer note a)	22.44	22.49	25.19
Cash & Cash equivalents	342.09	228.17	581.72
Other bank balances			
Term Deposit Accounts (Refer note b)	1,010.32	873.51	1,241.25
Total	**1,352.41**	**1,101.68**	**1,822.97**

Note:

a) During the year an amount of ₹ Nil (previous year ₹ 2.58 lakhs final dividend for the year 2008-09) was transferred to Investor Education and Protection Fund (IEPF).

b) Term Deposits are held as Margin money against Bank Guarntees and Letter of Credits.

NOTE 7D : OTHER FINANCIAL ASSETS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Interest Accrued on Deposits	78.75	57.71	90.90
Total	**78.75**	**57.71**	**90.90**

NOTES TO FINANCIAL STATEMENTS

NOTE 8 : OTHER CURRENT ASSETS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured and considered good)			
Advances to:			
Material suppliers/contractors	103.31	519.07	40.78
Central excise, Sales tax,GST etc.,	2,087.34	706.58	263.12
Export Incentive Receivables	394.34	281.15	148.01
Others*	122.59	114.04	-
Income Tax and other taxes	47.37	70.98	66.42
MAT Credit Receivable	366.12	-	-
Employees	3.17	2.09	15.40
Prepaid expenses	206.96	156.07	156.23
Total	**3,331.20**	**1,849.98**	**689.96**

*Amount receivable from Maharashtra Government towards Industrial Promotions Subsidy (IPS) for New Uniit under Package Scheme of Incentive - 2013.

NOTE 9 : EQUITY SHARE CAPITAL

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised Capital			
6,00,00,000 (Previous Year 3,00,00,000) Equity Shares of ₹ 5/- each (Previous Year ₹ 5/- each)	3,000.00	1,500.00	1,500.00
Total	3,000.00	1,500.00	1,500.00
Issued, Subscribed and Paid up Capital	1,491.39	1,349.17	1,349.17
2,98,27,845 (Previous year 2,69,83,400) Equity shares of ₹ 5/- each (Previous Year ₹ 5/- each)			
8,300 (Previous year 8,300) Equity Shares forfeited of ₹ 5/- each (Previous year of ₹ 5/- each)	0.42	0.42	0.42
Total	**1,491.81**	**1,349.59**	**1,349.59**

Notes

(a) Reconciliation of equity shares

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Issued, subscribed and paid-up capital			
At the beginning of the period	1,349.17	1,349.17	1,349.17
Issued during the period (Number of shares 28,44,445)	142.22	-	-
At the closing of the period	**1,491.39**	**1,349.17**	**1,349.17**

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

(₹ in lakhs)

Particulars	As at 31.03.2018		As at 31.03.2017	
Shri Sharad B Pitti	18.66	55,64,449	15.85	42,75,560
Shri Akshay S Pitti	13.94	41,58,200	11.70	31,58,200
Smt Madhuri S Pitti	5.90	17,58,620	6.52	17,58,620
Pitti Electrical Equipment Pvt Ltd	25.26	75,35,556	25.87	69,80,000

Rights, preferences and restrictions attached to shares:

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

NOTES TO FINANCIAL STATEMENTS

During the year under review the Company has alloted 22,22,222 convertable warrants at a price of ₹ 90/- each to be converted into 22,22,222 equity shares of ₹ 5/- (including a premium of ₹ 85/- per share) to the persons belonging to Promoter / Promoter Group. The subscription amount of 25% of warrant price has been received and fully paid-up equity shares of the Company will be alloted on receipt of balance 75% warrant price within 18 months from 14th February, 2018.

NOTE 10 : OTHER EQUITY

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Securities Premium Reserve			
At the beginning of the year	3,799.79	3,799.79	3,799.79
Add: during the period	2,417.78	-	-
At the closing of the period	**6,217.57**	**3,799.79**	**3,799.79**
General Reserve			
At the beginning of the year	750.48	750.48	824.36
Less: adjustment as per Schedule -II of Companies Act, 2013	-	-	(73.88)
At the closing of the period	**750.48**	**750.48**	**750.48**
Surplus in the Statement of Profit and Loss			
At the beginning of the year	5,342.11	4,801.74	5,751.36
Add : Profit/(Loss) for the period	1,154.41	540.37	(955.79)
Add: Transferred from P&L Account during the year	-	-	6.17
Less : Interim & Proposed dividend (inclusive of tax)	-	-	-
Less : Transferred to general reserve during the year	-	-	-
Net Surplus in the Statement of Profit and Loss	**6,496.52**	**5,342.11**	**4,801.74**
Total	**13,464.59**	**9,892.38**	**9,352.01**

NOTE 11 : BORROWINGS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A. Secured Loans			
Term Loans from Banks (Refer Note a)	3,386.44	1,102.90	1,118.49
Term Loans from others (Refer Note b)	2,675.76	567.89	1,091.00
Sub total	**6,062.20**	**1,670.79**	**2,209.49**
Vehicle Loans			
From Banks (Refer Note c)	174.27	80.92	110.06
Sub total	**174.27**	**80.92**	**110.06**
Total - A	**6,236.47**	**1,751.71**	**2,319.55**
B. Unsecured loans			
Sales Tax Deferral (Refer Note d)	161.72	249.27	282.32
From Others (Refer Note e)	2,470.00	3,710.00	-
Total - B	**2,631.72**	**3,959.27**	**282.32**
TOTAL - (A+B)	**8,868.19**	**5,710.98**	**2,601.87**

Notes:

(a) Term loans received from State Bank of India is primarily secured by first charge by way of equitable mortgage of movable and immovable properties on the present and future fixed assets of the company and secured by a second charge on the present and future current assets of the company. Further these loans are collaterally secured by :
- Personal immovable properties of a Promoter and his relative (exclusive to SBI).

- Pledge of 20% of the promoters shares in the company (exclsive to SBI).

- Further these loans are guranteed by the Promoters of the company and their relative to the extent of secured property value.

(Refer Note 14 C (a) point nos. (viii), (ix) and (x) for terms of repayment)

(b) (i) ECB Loan received from - DMG Mori Finance GmbH is secured by exclusive charge on the plant and machinery which are acquired on financial lease basis. The lease period is ranging from July 2017 to September 2022. (Refer Note 14 C (b) for terms of repayment)

NOTES TO FINANCIAL STATEMENTS

(ii) Term loan (equipment finance) from others is secured by way of exclusive charge on the machinery purchased to the extent funded by the respective lenders. These loans are guaranteed by the promoters of the company. (Refer Note 14 C (a) point nos. (i to vii) and (xi to xiii) for terms of repayment)

(c) Secured against hypothecation of vehicles. (Refer Note 14 C (c) for terms of repayment)

(d) Represents 14 years interest free sales tax deferment loan received from State Government, which is repayable on annual basis based on the deferment availed in the respective years, commences from January, 2018 till November, 2020.

(e) Includes ₹ 1,470 lakhs (previous year ₹ 3,410 lakhs) brought in by the promoters and promoter group for the purpose of working capital and capital expenditure.

NOTE: 12 : PROVISIONS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Gratuity	17.26	74.09	75.28
Provision for Dismantling of Property, Plant & Equipment	446.48	35.30	-
Total	**463.74**	**109.39**	**75.28**

NOTE: 13 : DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
At the beginning of the year	480.78	544.32	730.51
Provision for the year	489.73	(63.54)	(186.19)
Closing balance	**970.51**	**480.78**	**544.32**

NOTE: 14A : BORROWINGS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Working capital borrowings from Banks (Secured)	14,567.23	10,886.10	15,283.45
Inter Corporate Deposit	190.00	-	-
Closing balance	**14,757.23**	**10,886.10**	**15,283.45**

Note:
Working capital facilities from State Bank of India, Indian Overseas Bank and Kotak Mahindra Bank (at interest rate ranging from 7.95% to 11.20%) are secured on a pari passu first charge basis against hypothecation of Inventory (stocks), Trade Receivables and all other current assets both present and future. Further these are secured on a pari passu second charge on movable and immovables properties of the Company both present and future. Further Secured by way of Personal guaranty of the Promoters. Further these loans are guranteed by the Promoters of the company.

NOTE 14B : TRADE PAYABLES

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Dues to micro enterprises and small enterprises	64.64	87.89	112.57
Dues to others	10,743.31	10,472.71	6,545.57
Total	**10,807.95**	**10,560.60**	**6,658.14**

Note:

The information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the company on records. (Refer Note 2.19)

NOTES TO FINANCIAL STATEMENTS

NOTE 14C : OTHER FINANCIAL LIABILITIES

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unclaimed Dividend	22.44	22.50	25.19
Interest accrued but not due	18.97	21.53	12.01
Sales Tax (Deferral) due less than 12 months	76.55	33.05	-
Term loan instalments due less than 12 months (Refer note a)	1,802.75	1,442.93	673.37
Vehicle loan instalments due less than 12 months (Refer note b)	68.03	31.06	30.76
Others	411.18	181.58	578.70
Total	**2,399.92**	**1,732.65**	**1,320.03**

Notes:

a) Terms of repayment are given below:

(i) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 14.25% is repayable in 13 monthly instalments of ₹ 11.36 lakhs each till March, 2017 and balance amount of ₹ 11.32 lakhs is repayble by April, 2017 and the loan has been repaid on 24 April, 2017 in full during the current year.

(ii) Loan taken from L & T Finance Ltd., at interest rate of 13.50% is repayable in 3 monthly instalments of ₹12.41 lakh including interest each till June, 2016 and the loan has been cleared on 15 June, 2016 in full during the previous year.

(iii) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 13.25% is repayable in 12 monthly instalments of ₹ 18.55 lakhs each till March 2019 (previous year 36 monthly instalments of ₹ 13.91 lakhs each) and 47 monthly instalments of ₹ 0.44 lakhs each till March, 2020.

(iv) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 12% is repayable in 3 monthly instalments of ₹ 100 lakhs each till July, 2016 and the loan has been cleared on 24 July, 2016 in full during the previous year.

(v) Loan taken from TATA Capital Financial Service Ltd., at interest rate of 12.75% is repayable in 27 monthly instalments of ₹ 13.82 lakhs (previous year 51 monthly instalments of ₹ 0.72 lakhs) each till June, 2020 and against this loan ₹ 49.47 lakhs (previous year ₹ 321.64 lakhs) opened as Lien marked Fixed Deposits at interest rate of 7.25% for the purpose of repayment of this loan.

(vi) Loan taken from Hewlett Packard Financial Services India Pvt Ltd., at interest rate of 11.50% is repayable in 18 quarterly instalments of ₹ 8.75 lakhs including interest each till August, 2020.

(vii) Loan taken from Hewlett Packard Financial Services India Pvt Ltd., at interest rate of 11.50% is repayable in 19 quarterly instalments of ₹ 0.88 lakhs including interest, each till October, 2020.

(viii) Loan taken from State Bank of India., at interest rate of 12.50% is repayable in 6 quarterly instalments of ₹ 50.00 lakhs each till September, 2018.

(ix) Loan taken from State Bank of India., at interest rate of 12.50% is repayable in 20 quarterly instalments of ₹ 95.00 lakhs each from June, 2017 till March, 2022.

(x) Loan taken from State Bank of India., at interest rate of 12.50% is repayable in 20 quarterly instalments of ₹ 162.50 lakhs each from September, 2017 till June, 2022.

(xi) Loan taken from Hero Fincorp Ltd, at interest rate of 12.00% is repayable in 60 monthly instalments of ₹ 4.44 lakhs including interest each commences from April, 2018 till March, 2023.

(xii) Loan taken from Reliance Commercial Finance Ltd, at interest rate of 12.00% is repayable in 33 monthly instalments of ₹ 10.72 lakhs including interest each from March, 2018 till November, 2020.

(xiii) Loan taken from Tata Capital Financial Service Ltd, at interest rate of 12.00% is repayable in 60 monthly instalments of ₹ 9.42 lakhs each commences from May, 2018 till April, 2023.

(b) Terms of repayment are given below:

(i) ECB Loan taken from DMG Mori Finance GmbH, at interest rate of 2.50% is repayable in 61 monthly instalments including interest from September, 2017 till September, 2022, and the instalment amounts are as follows -

- 12 monthly equal instalments of ₹ 1.56 lakhs.
- 12 monthly equal instalments of ₹ 2.49 lakhs.
- 12 monthly equal instalments of ₹ 3.11 lakhs.
- 12 monthly equal instalments of ₹ 7.78 lakhs.
- 12 monthly equal instalments of ₹ 8.40 lakhs.
- Final month instalment of ₹ 47.37 lakhs.

NOTES TO FINANCIAL STATEMENTS

(ii) ECB Loan taken from DMG Mori Finance GmbH, at interest rate of 2.50% is repayable in 61 monthly instalments including interest from September, 2017 till September, 2022, and the instalment amounts are as follows -

- 12 monthly equal instalments of ₹ 1.97 lakhs.
- 12 monthly equal instalments of ₹ 3.14 lakhs.
- 12 monthly equal instalments of ₹ 3.93 lakhs.
- 12 monthly equal instalments of ₹ 9.83 lakhs.
- 12 monthly equal instalments of ₹ 10.61 lakhs.
- Final month instalment of ₹ 59.82 lakhs.

(iii) ECB Loan taken from DMG Mori Finance GmbH, at interest rate of 2.50% is repayable in 59 monthly instalments including interest from November, 2017 till September, 2022, and the instalment amounts are as follows -

- 12 monthly equal instalments of ₹ 2.59 lakhs.
- 12 monthly equal instalments of ₹ 4.15 lakhs.
- 12 monthly equal instalments of ₹ 5.19 lakhs.
- 12 monthly equal instalments of ₹ 12.97 lakhs.
- 12 monthly equal instalments of ₹ 14.01 lakhs.
- Final month instalment of ₹ 106.98 lakhs.

(iv) ECB Loan taken from DMG Mori Finance GmbH, at interest rate of 2.50% is repayable in 52 monthly instalments including interest commences from June, 2018 till September, 2022, and the instalment amounts are as follows -

- 12 monthly equal instalments of ₹ 3.47 lakhs.
- 12 monthly equal instalments of ₹ 5.55 lakhs.
- 12 monthly equal instalments of ₹ 6.94 lakhs.
- 12 monthly equal instalments of ₹ 17.34 lakhs.
- 12 monthly equal instalments of ₹ 18.73 lakhs.
- Final month instalment of ₹ 270.27 lakhs.

(c) Terms of repayment are given below:

(i) Loan taken from Kotak Mahendra Prime Ltd., at interest rate of 9.39% is repayable by way of 50 monthly instalments of ₹ 3.36 lakhs including interest each till June, 2020.

(ii) Loan taken from Indian Overseas Bank., at interest rate of 8.90% is repayable by way of 60 monthly instalments of ₹ 0.27 lakhs including interest each till October, 2022.

(iii) Loan taken from HDFC Bank Ltd., at interest rate of 8.51% is repayable by way of 60 monthly instalments of ₹ 2.71 lakhs including interest each till April, 2022.

(iv) Loan taken from HDFC Bank Ltd., at interest rate of 8.51% is repayable by way of 60 monthly instalments of ₹ 0.88 lakhs including interest each till May, 2022.

NOTE 15 : OTHER CURRENT LIABILITIES

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances from Customers	169.43	-	-
Other Liabilities	418.46	10.49	181.13
Total	**587.89**	**10.49**	**181.13**

NOTE 16 : PROVISIONS

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for employee benefits :			
Provision for Gratuity	31.36	20.64	36.74
Provision for Bonus	115.25	88.83	62.62
Provision for Leave encashment	57.46	57.37	64.24
Total	**204.07**	**166.84**	**163.60**

NOTE 17 : INCOME TAX LIABILITIES (NET)

(₹ in lakhs)

	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for taxation (net)	372.50	102.61	-
Total	**372.50**	**102.61**	**-**

NOTES TO FINANCIAL STATEMENTS

NOTE 18A : REVENUE FROM OPERATIONS

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
A. Sales & Services:		
Sale of Products	34,371.24	27,626.72
Sale of Scrap	4,144.95	2,797.53
Sale of Traded Goods	2,510.62	-
Sale of Tools	792.49	709.27
Job work & Service Income	725.72	591.77
Gross Sales & Services (inclusive of Excise/VAT/CST/GST)	**42,545.02**	**31,725.29**
Less : VAT/CST/GST	(4,115.30)	(1,438.71)
Revenue from operations (Exclusive of VAT/CST/GST and inclusive of Excise)	**38,429.72**	**30,286.58**
Less: Excise Duty	(723.35)	(1,983.47)
Net Sales & Services	**37,706.37**	**28,303.11**

NOTE 18B : OTHER OPERATING REVENUE

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Export incentives and others	326.07	286.61
Total	**326.07**	**286.61**

NOTE 19 : OTHER INCOME

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Interest on Deposits	115.50	105.08
Profit on Sale of Asset	-	25.54
Other Misc. Receipts	178.80	176.28
Dividend Income	0.00	0.00
Total	**294.30**	**306.90**

Note : Other Misc. Receipts includes ₹ 57.02 lakhs for current year (₹ 114.04 lakhs for previous year) towards Industrial Promotions Subsidy(IPS) for New Unit under Package Scheme of Incentive - 2013.

NOTE 20 : COST OF MATERIAL CONSUMED

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Opening stock	3,442.98	2,729.10
Add: Purchases	22,602.84	19,864.27
Less : Material in Transit	(21.16)	(25.58)
Less: Closing stock	(3,195.58)	(3,417.40)
Consumption	**22,829.08**	**19,150.39**

NOTE 21 : CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
A. Opening stocks:		
Work-in-process	2,698.37	1,467.49
Finished goods	5,834.20	5,528.20
Scrap	13.42	12.89
Total - A	**8,545.99**	**7,008.58**

NOTES TO FINANCIAL STATEMENTS

NOTE 21 : CHANGES IN INVENTORIES OF WORK-IN-PROCESS, FINISHED GOODS AND SCRAP

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
B. Closing stocks:		
Work-in-process	2,411.09	2,698.37
Finished goods	6,302.85	5,834.20
Scrap	28.73	13.42
Total - B	**8,742.67**	**8,545.99**
C. (Increase)/Decrease in stocks (A-B)	**(196.68)**	**(1,537.41)**

NOTE 22 : EMPLOYEE BENEFIT EXPENSE

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Employees remuneration and benefits	3,132.03	2,667.64
Employees settlement expenses	49.68	148.61
Contribution to PF/ESI	167.39	128.74
Gratuity expenses	36.24	144.29
Remuneration to Directors	92.40	114.84
Staff welfare expenses	84.04	111.24
Total	**3,561.78**	**3,315.36**

NOTE 23 : FINANCE COSTS

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Interest on Term Loans	288.42	109.92
Interest on Working Capital	1,280.06	1,083.13
Interest on Income Tax	38.72	-
Bank Charges	599.72	544.55
Forex Loss/(Gain) (net)	150.94	(206.00)
Total	**2,357.86**	**1,531.60**

NOTE 24 : OTHER EXPENSES

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Consumption of Stores, Spares, Tools & Dies	695.37	767.72
Power & fuel	382.57	326.78
Repairs & Maintenance :		
Plant	195.66	99.41
Building	19.43	1.04
Vehicles	11.96	20.41
Other Assets	53.00	67.34
Loss on Sale of Fixed Assets	88.19	-
Discounts to Customers	153.20	271.70
Bad Debts written off	21.07	50.17
Other selling & Distribution expenses	303.78	424.89
Packing Cost	539.42	420.99
Carriage outwards	271.18	310.33
Travelling & Conveyance	320.86	310.72
Insurance	65.45	57.45
Rent	233.66	274.36
Rates & Taxes (Excluding Taxes on Income)	117.90	150.07
Board Meeting Expenses	17.36	12.96
Remuneration to auditors :		

NOTES TO FINANCIAL STATEMENTS

NOTE 24 : OTHER EXPENSES

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Audit Fee	15.00	10.62
Tax Audit Fee	2.00	3.02
Certification Fee /Taxation matter	4.48	0.13
Communication Expenses	40.86	41.98
Professional consultancy	337.54	290.35
CSR Expenses	8.48	8.85
Miscellaneous Expenses	435.96	386.43
Total	**4,334.38**	**4,307.72**

NOTE 25 : TAX EXPENSES

(₹ in lakhs)

	For the Year 2017-18	For the Year 2016-17
Current tax	366.12	144.07
MAT Credit available	(366.12)	-
Taxes on Earlier Years	13.80	-
Deferred (credit)/expenses	489.73	(91.27)
Deferred (credit)/expenses as per Ind AS	-	27.73
Total	**503.53**	**80.53**

NOTE 2 - NOTES TO ACCOUNTS

2.1. Earnings per share (EPS) from continuing operations

Particulars	For the Year 2017 - 18	For the Year 2016 - 17
Earnings		
Total Comprehensive income/(loss) for the period (₹ in lakhs)	1,154.41	540.37
Shares		
Number of shares at the beginning of the period	2,69,83,400	2,69,83,400
Add: Shares issued during the period	28,44,445	-
Total number of equity shares outstanding at the end of the period	2,98,27,845	2,69,83,400
Weighted average number of equity shares outstanding during the period	2,73,38,956	2,69,83,400
Earnings per share of par value ₹ 5/- Basic (₹)	4.22	2.00
Earnings per share of par value ₹ 5/- Diluted (₹)	3.91	2.00

2.2. Contingent Liabilities & Commitment

(₹ in lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Contingent Liabilities - Claims against the Company not acknowledged as debts:			
(i) Income Tax Liability in respect of appeal preferred by the Department in the H'ble High Court, A.P. Hyderabad, pending disposal.	-	-	3.67
(ii) Income Tax Liability in respect of appeal preferred by the Company before Commissioner of Income Tax, Hyderabad.	-	3.77*	-
(iii) 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*	68.55*
(iv) Service Tax liability for which appeals preferred by the company with Commissionerate, Hyderabad received the order with reduced liability.	-	-	13.07*
(v) Service Tax liability for which appeals preferred by the company with Commissionerate Service Tax, Hyderabad	-	57.51*	-
(b) Commitments			
(i) Bank guarantees	1109.11	1108.61	67.11
(ii) Estimated amount of liability on account of Capital Commitments	10.25	6880.66	431.65

* No provision is considered necessary since the Company expects favorable decision.

NOTES TO FINANCIAL STATEMENTS

2.3. Employee Benefit Plans

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

(₹ in lakhs)

Assumptions	Gratuity Plan			Leave Encashment Plan		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Discount Rate	7.75%	7.55%	7.90%	7.75%	7.55%	7.90%
Rate of increase in Compensation levels	2% p.a.	2% p.a.	2% p.a.	2% p.a.	2% p.a.	2% p.a.
Rate of Return on Plan Assets	8%	8%	8%	0%	0%	0%
Expected Average remaining working lives of employees (years)	26yrs	24 Yrs	22 Yrs	26 yrs	24 yrs	22 yrs

(₹ in lakhs)

Changes in Present Value of Obligations	Gratuity Plan			Leave Encashment Plan		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
Present Value of Obligation as at the beginning of the year	191.87	326.36	285.37	57.37	64.24	75.80
Interest Cost	14.49	25.79	22.26	4.33	5.07	5.91
Current Service Cost	45.25	25.38	42.99	0.08	(6.87)	(11.56)
Benefits paid	(23.09)	(235.62)	(83.46)	(38.53)	(63.54)	(65.11)
Actuarial (gain)/ loss on obligations	(7.65)	49.96	59.20	34.20	58.47	59.2
Present Value of Obligation as at the end of the year	220.87	191.87	326.36	57.45	57.37	64.24
Amount to be recognized in Balance Sheet						
Present Value of Obligation as at the end of the year	220.87	191.87	326.36	57.45	57.37	64.24
Fair Value of Plan Assets as at the end of the year	172.25	97.14	214.34	-	-	-
Funded Status	(48.62)	(94.73)	(112.02)	(57.46)	(57.37)	(64.24)
Net Asset / (Liability) Recognized in Balance Sheet	(48.62)	(94.73)	(112.02)	(57.46)	(57.37)	(64.24)
Expenses Recognized in the Statement of Profit and Loss						
Current Service Cost	45.25	25.38	42.99	0.08	(6.87)	(11.56)
Past Service Cost	-	-	-	-	-	-
Interest Cost	14.49	25.78	22.26	4.33	5.07	5.91
Expected Return on Plan Assets	(8.19)	(6.79)	(20.92)	-	-	-
Net actuarial (gain)/ loss recognized in the year	(7.65)	49.96	59.20	34.20	58.47	59.20
Expenses Recognized in the Statement of Profit & Loss	43.89	94.33	103.53	38.61	56.67	53.55

2.4. Details of consumption of Raw Material

(₹ in lakhs)

Description	For the Year 2017-18	For the Year 2016-17	For the Year 2015-16
Imported (Silicon Steel)	727.42	2,704.90	5,227.64
Indigenous (Silicon Steel)	17,296.83	12,540.02	14,698.94
Others	4,804.83	3,905.47	1,863.67
Total	**22,829.08**	**19,150.39**	**21,790.25**

2.5. Stock and Turnover of Manufactured and Traded goods

(₹ in lakhs)

Description	Turnover	Closing Inventory (FG)	Opening Inventory (FG)
Sale of Products	**31,291.82**	**6,302.85**	**5,834.20**
	(26,324.42)	(5,834.20)	(5,528.20)
	(28,965.74)	(5,528.20)	(3,344.36)
Others	**5,010.26**	**-**	**-**
	(3,962.16)	-	-
	(3,763.95)	-	-

NOTES TO FINANCIAL STATEMENTS

2.5. Stock and Turnover of Manufactured and Traded goods (₹ in lakhs)

Description	Turnover	Closing Inventory (FG)	Opening Inventory (FG)
Traded Goods	**2,127.64**	-	-
	-	-	-
	-	-	-
Total	**38,429.72**	**6,302.85**	**5,834.20**
	(30,286.58)	(5,834.20)	(5,528.20)
	(32,729.69)	(5,528.20)	(3,344.36)

Note: Figures in brackets represent previous year's figures 2016-17 & 2015-16 respectively.

2.6. Stock of Work in process (₹ in lakhs)

Description	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Stampings/Metal Casting	2,411.09	2,698.37	1,467.49
Total	2,411.09	2,698.37	1,467.49

2.7. CIF Value of Imports (₹ in lakhs)

Particulars	For the Year 2017-18	For the Year 2016-17	For the Year 2015-16
Raw Materials	838.20	1,983.10	5,194.36
Stores and Spares	134.48	46.62	30.79
Capital goods	4,206.08	620.01	106.27
Total	5,178.76	2,649.73	5,331.42

2.8. Earnings in Foreign Currency (₹ in lakhs)

Particulars	For the Year 2017-18	For the Year 2016-17	For the Year 2015-16
FOB value of Exports	11,099.08	8,959.67	13,870.73

2.9. Expenditure in Foreign Currency (₹ in lakhs)

Particulars	For the Year 2017-18	For the Year 2016-17	For the Year 2015-16
Travelling and others	259.16	305.71	376.45
Total	259.16	305.71	376.45

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

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

(i) Details of investment made are given in Note 4A & 2.13

(ii) Details of loans given by the Company are as follows:

(₹ in lakhs)

Name of the Entity	Relationship	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Pitti Castings Pvt. Ltd.	Director's Interest	-	-	-

NOTES TO FINANCIAL STATEMENTS

(iii) There are no guarantees issued by your Company in accordance with section 186 of the Companies Act, 2013 read with rules issued there under

2.11. Segment Reporting:

a) Primary Segment Reporting

The Company has one business segment only, comprising of tooling, stampings and machining. Hence the reporting is done as a single segment.

b) Secondary Segment by Geographical Segment

(₹ in lakhs)

Sl. No	Segment Revenue	For the Year 2017-18	For the Year 2016-17
a)	India	27,646.10	20,686.25
b)	Outside India	11,109.69	9,886.94
Total		**38,755.79**	**30,573.19**

Total carrying amount of segment assets by geographical location of assets, for each geographical segment whose assets are 10% or more of the total assets of all geographical segments and the additions to the same are as under

(₹ in lakhs)

Segment Assets	Carrying amount of Assets			Additions to Fixed Assets during the year					
				Year 2017-18		Year 2016-17		Year 2015-16	
	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016	Put to use	CWIP	Put to use	CWIP	Put to use	CWIP
India	47,813.19	35,954.71	29,930.47	12,960.61	10,145.31	1,664.44	3,143.32	600.69	1,169.74
Outside India	7,075.21	5,047.70	7,598.95	-	-	-	-	-	-
Total	**54,888.40**	**41,002.41**	**37,529.42**	**12,960.61**	**10,145.31**	**1,664.44**	**3,143.32**	**600.69**	**1,169.74**

2.12. Fair values hierarchy

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

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

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

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

(₹ in lakhs)

Particulars	Fair value hierarchy			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		Level 1	Level 2	Level 3
31-Mar-18				
Financial Asset				
Investment in equity instruments	1,736.47	1.63	1,734.84	-
Security Deposits	90.84	-	-	90.84
Financial Liability				
Borrowings	8,868.19	-	-	8,868.19
Total	**10,695.50**	**1.63**	**1,734.84**	**8,959.03**
31-Mar-17				
Financial Asset				
Investment in equity instruments	1,736.56	1.72	1,734.84	-
Security Deposits	89.26	-	-	89.26
Financial Liability				

NOTES TO FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Fair value hierarchy			
	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
		Level 1	Level 2	Level 3
Borrowings	5,710.98			5,710.98
Total	**7,536.80**	**1.72**	**1,734.84**	**5,800.24**
31-Mar-16				
Financial Asset				
Investment in equity instruments	1,735.64	0.80	1,734.84	-
Security Deposits	85.18	-	-	85.18
Financial Liability				
Borrowings	2,601.87	-	-	2,601.87
Total	**4,422.69**	**0.80**	**1,734.84**	**2,687.05**

2.13. Related party disclosures:

I) List of Related parties:

(a) Directors

i. Shri Sharad B Pitti
ii. Shri Akshay S Pitti
iii. Shri Y.B. Sahgal*
iv. Shri N.R. Ganti
v. Shri G. Vijay Kumar
vi. Shri M. Gopalakrishna
vii. Ms. Gayathri Ramachandran
viii. Shri S. Thiagarajan

(b) Relatives of Directors with whom transactions have taken place

i. Smt Madhuri S Pitti
ii. Smt Radhika A Pitti

* Shri Y.B. Sahgal, Executive Director has resigned with effect from 30th September'2016 from the Board of the Company.

II) Key Managerial Personnel

i. Shri N. K. Khandelwal
ii. Shri Satyabrata Padhi**
iii. Ms Mary Monica Braganza***

** Shri Satyabrata Padhi, Company Secretary has resigned as Company Secretary with effect from 16.11.2017.
*** Ms Mary Monica Braganza, has been appointed as Company Secretary with effect from 14.12.2017.

III) Entities in which Directors' having interest

i. Pitti Castings Private Limited
ii. Pitti Electrical Equipment Pvt. Ltd.,
iii. Pitti Components Limited
iv. Pitti Holdings Private Limited
v. Badrivishal Pannalal Pitti Trust

NOTES TO FINANCIAL STATEMENTS

A. Transactions/balances outstanding with related parties

(1) For the Financial Year 2017-18

(₹ in lakhs)

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director's interest in firm / company	Key Managerial Personnel / Relatives	Total
1	Remuneration	111.94	-	64.03	**175.97**
2	Rent / Lease	154.11	-	-	**154.11****
3	Purchases of goods & services	-	3,091.68	-	**3,091.68**
4	Sales of goods & services	-	683.40	-	**683.40**
5	Unsecured Loan - received	1,910.00	-	-	**1,910.00**
6	Unsecured Loan – repaid	1,600.00	-	-	**1,600.00**
7	Unsecured Loan – Converted to Share Capital	2,060.00	-	-	**2,060.00**
8	Inter Corporate Deposits – received	-	1,110.00	-	**1,110.00**
9	Inter Corporate Deposits – repaid	-	800.00	-	**800.00**
10	Inter Corporate Deposits – Converted to Share Capital	-	500.00	-	**500.00**
11	Monies Received against Warrants	250.00	250.00	-	**500.00**
12	Allotment of Warrants	250.00	250.00	-	**500.00**
13	Donations paid	-	8.50	-	**8.50***
14	Interest paid	-	94.64	-	**94.64**
15	Amount payable at the year end	815.43	733.49	3.69	**1,552.61**
16	Amount receivable at the year end	39.81	483.50	-	**523.31**
17	Investments at the year end	-	1,734.84	-	**1,734.84**

* Including CSR expenses of ₹ 8.48 lakhs

** Rent excludes taxes

(1) For the previous Financial Year 2016-17

(₹ in lakhs)

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director's interest in firm / company	Key Managerial Personnel / Relatives	Total
1	Remuneration	137.44	-	54.39	**191.83**
2	Rent / Lease	158.59	-	-	**158.59**
3	Purchases	-	3,397.69	-	**3,397.69**
4	Sales	-	193.48	-	**193.48**
5	Unsecured Loan - received	3,160.00	-	-	**3,160.00**
6	Unsecured Loan – repaid	600.00	-	-	**600.00**
7	Inter Corporate Deposits – received	-	850.00	-	**850.00**
8	Donations paid	-	8.87	-	**8.87***
9	Interest paid	-	1.18	-	**1.18**
10	Job work charges earned	-	96.63	-	**96.63**
11	Job work charges incurred	-	0.60	-	**0.60**
12	Amount payable at the year end	2,565.48	1,230.76	3.16	**3,799.40**
13	Amount receivable at the year end	39.81	65.98	-	**105.79**
14	Investments at the year end	-	1,734.84	-	**1,734.84**

* Including CSR expenses of ₹ 8.85 lakhs

NOTES TO FINANCIAL STATEMENTS

(1) For the previous Financial Year 2015-16 (₹ in lakhs)

Sl. No	Transactions / Outstanding balances	Directors / Relatives	Director's interest in firm / company	Key Managerial Personnel / Relatives	Total
1	Remuneration	206.99	-	15.06	222.05
2	Rent / Lease	154.70	-	-	154.70
3	Purchases	-	3,421.83	-	3,421.83
4	Sales	-	135.54	-	135.54
5	Unsecured Loan – received back	-	715.00	-	715.00
6	Unsecured Loan - received	-	-	-	-
7	Unsecured Loan – repaid	-	-	-	-
8	Inter Corporate Deposits – received	-	-	-	-
9	Donations paid	-	29.38	-	29.38*
10	Interest paid	-	-	-	-
11	Job work charges earned	-	128.90	-	128.90
12	Job work charges incurred	-	40.70	-	40.70
13	Amount payable at the year end	12.72	107.03	4.47	124.22
14	Amount receivable at the year end	39.81	-	-	39.81
15	Investments at the year end	-	1,734.84	-	1,734.84

* Including CSR expenses of ₹ 29.38 lakhs

2.14. Operating Lease: (As a Lessee) (₹ in lakhs)

Sl. No	Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1	Within one year	151.68	188.71	248.06
2	Between one year and five years	398.24	375.77	373.01
3	Above five years	1,073.47	1,180.43	465.70

2.15. Financial Lease: (As a Lessee) (₹ in lakhs)

Sl. No	Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1	Within one year	130.64	-	-
2	Between one year and five years	1,844.70	-	-
3	Above five years	-	-	-

2.16. Deferred Tax (₹ in lakhs)

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 01.04.2017	Current Year charge (Debit)	Deferred Tax (Liability)/ Asset as at 31.03.2018
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(560.44)	(466.20)	(1,026.64)
2	Others	79.66	(23.53)	56.13
	Deferred Tax Net	(480.78)	(489.73)	(970.51)

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

2.18. No asset is impaired during the year as the assets are having recoverable value which is more than the carrying amount.

2.19. Micro, Small and Medium Enterprises Development Act, 2006 **(MSMED)**

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

NOTES TO FINANCIAL STATEMENTS

(₹ in lakhs)

Sl. No	Description	Year 2017-18	Year 2016-17	Year 2015-16
1	Principal amount due to suppliers under MSMED	64.64	87.89	112.57
2	Interest accrued and due to suppliers covered under MSMED on the above amount,unpaid	1.99	1.85	3.33
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	415.18	461.26	465.56
4	Payment made to suppliers (other than interest) beyond the appointed day during the previous year	-	-	-
5	Interest paid to suppliers covered under MSMED	7.44	22.02	19.45
6	Interest due & Payable to suppliers covered under MSMED Act., towards payments already made.	-	-	-

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

2.20. Letters have been written for confirmation of debit and credit balances pertaining to debtors and creditors and reply from the parties is awaited.

2.21. Financial and derivative instruments:

(₹ in lakhs)

Description	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Forward Contracts	2,789.39	361.13	Nil

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

2.22. First time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first set of financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April, 1 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applies

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

(a) As per Ind AS 20, benefit of a government loan at nil or below-market rate of interest (e.g. interest free sales tax deferral scheme) is treated as a government grant. A first time adopter can apply requirements in Ind AS 109 prospectively or retrospectively to government loans existing at the date of transition to Ind

NOTES TO FINANCIAL STATEMENTS

AS. Accordingly, the Company has chosen to use Indian GAAP carrying values as its carrying value under Ind AS and apply principles of Ind AS 109 prospectively.

(b) The Company has elected to regard carrying values for all of property, plant and equipment as deemed cost at the date of the transition.

(c) The Company has elected to avail Ind AS 101 exemption with regard to Long Term Foreign Currency Monetary Items and may continue to adopt for accounting for exchange differences arising from translation of long-term foreign currency monetary items to be recognized in financial statements.

(d) Under Ind AS 109, at initial recognition of a financial asset, an entity may take irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such recognition of previously recognized financial asset as fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Company has designated its investments in certain equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

(e) In the preparation of separate financial statements, Ind AS 27 Separate Financial Statements requires an entity to account for its investments in subsidiaries, jointly controlled entities and associates either:

a) At cost, or

b) In accordance with Ind AS 109.

Estimates

The estimates as at April 01,2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets bases on expected credit loss model where application of Indian GAAP did not require estimation. The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016 (transition date), March 31, 2017 and March 31, 2018.

Reconciliation between Previous GAAP and Ind AS

Ind AS 101, First time adoption of Indian Accounting Standards, requires an entity to reconcile equity, total comprehensive income and cash flow for prior period. The following tables represent the reconciliations from previous GAAP to Ind AS.

NOTES TO FINANCIAL STATEMENTS

Note: 2.22
BALANCE SHEET
as at 1st April, 2016

(₹ in lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	A	7,577.02	1,716.31	9,293.33
(b) Capital work-in-progress		1,169.74	-	1,169.74
(c) Intangible Assets		52.86	-	52.86
(d) Financial Assets				
(i) Investments	B	1,641.00	93.84	1,734.84
(ii) Other Financial Assets	C	94.66	(8.35)	86.31
(e) Other Non-current Assets		97.96	-	97.96
Total Non - Current Assets		**10,633.24**	**1,801.80**	**12,435.04**
Current Assets				
(a) Inventories	A	11,757.15	(1,652.25)	10,104.90
(b) Financial Assets				
(i) Investments	D	0.11	0.69	0.80
(ii) Trade receivables		12,384.85	-	12,384.85
(iii) Cash and Cash equivalents		1,822.97	-	1,822.97
(iv) Other financial assets		90.90	-	90.90
(c) Other current assets		689.96	-	689.96
Total Current Assets		**26,745.94**	**(1,651.56)**	**25,094.38**
TOTAL ASSETS		**37,379.18**	**150.24**	**37,529.42**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		1,349.59	-	1,349.59
(b) Other equity	E	9,345.84	6.17	9,352.01
Total Equity		**10,695.43**	**6.17**	**10,701.60**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	F	2,607.20	(5.33)	2,601.87
(b) Provisions		75.28	-	75.28
(c) Deferred tax liabilities(net)		394.92	149.40	544.32
Total Non-Current Liabilities		**3,077.40**	**144.07**	**3,221.47**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		15,283.45	-	15,283.45
(ii) Trade payables				
Dues to micro and small enterprises		112.57	-	112.57
Dues to others		6,545.57	-	6,545.57
(iii) Other financial liabilities		1,320.03	-	1,320.03
(b) Other current liabilities		181.13	-	181.13
(c) Provisions		163.60	-	163.60
(d) Income tax liabilities (net)		-	-	-
Total Current Liabilities		**23,606.35**	**-**	**23,606.35**
TOTAL EQUITY AND LIABILITIES		**37,379.18**	**150.24**	**37,529.42**

NOTES TO FINANCIAL STATEMENTS

BALANCE SHEET

as at 31st March, 2017

(₹ in lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	A	7,385.01	1,842.18	9,227.19
(b) Capital work-in-progress	F	3,200.49	(57.17)	3,143.32
(c) Intangible Assets		126.29	-	126.29
(d) Financial Assets				
(i) Investments	B	1,641.00	93.84	1,734.84
(ii) Other Financial Assets	C	93.65	(4.04)	89.61
(e) Other Non-current Assets		2,029.38	-	2,029.38
Total Non - Current Assets		**14,475.82**	**1,874.81**	**16,350.63**
Current Assets				
(a) Inventories	A	14,497.36	(1,842.18)	12,655.18
(b) Financial Assets				
(i) Investments	D	0.11	1.61	1.72
(ii) Trade receivables		8,985.51	-	8,985.51
(iii) Cash and Cash equivalents		1,101.68	-	1,101.68
(iv) Other financial assets		57.71	-	57.71
(c) Other current assets		1,849.98	-	1,849.98
Total Current Assets		**26,492.35**	**(1,840.57)**	**24,651.78**
TOTAL ASSETS		**40,968.17**	**34.24**	**41,002.41**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital		1,349.59	-	1,349.59
(b) Other equity	E	9,974.25	(81.87)	9,892.38
Total Equity		**11,323.84**	**(81.87)**	**11,241.97**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	F	5,772.01	(61.03)	5,710.98
(b) Provisions		109.39	-	109.39
(c) Deferred tax liabilities(net)		303.64	177.14	480.78
Total Non-Current Liabilities		**6,185.04**	**116.11**	**6,301.15**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		10,886.10	-	10,886.10
(ii) Trade payables				
Dues to micro and small enterprises		87.89	-	87.89
Dues to others		10,472.71	-	10,472.71
(iii) Other financial liabilities		1,732.65	-	1,732.65
(b) Other current liabilities		10.49	-	10.49
(c) Provisions		166.84	-	166.84
(d) Income tax liabilities (net)		102.61	-	102.61
Total Current Liabilities		**23,459.29**	**-**	**23,459.29**
TOTAL EQUITY AND LIABILITIES		**40,968.17**	**34.24**	**41,002.41**

NOTES TO FINANCIAL STATEMENTS

STATEMENT OF PROFIT & LOSS

for the year ended 31st March,2017

(₹ in lakhs)

Particulars	Notes	Previous GAAP	Adjustments	Ind AS
INCOME				
Revenue from operations	G	28,303.11	1,983.47	30,286.58
Other Operating revenue		286.61	-	286.61
Total Revenue from Operations		**28,589.72**	**1,983.47**	**30,573.19**
Other income	C	302.57	4.33	306.90
TOTAL REVENUE		**28,892.29**	**1,987.80**	**30,880.09**
EXPENSES				
Cost of Materials consumed		19,150.39	-	19,150.39
Purchase of stock-in-trade		-	-	-
Changes in inventories of work-in-process, finished goods and scrap		(1,537.41)	-	(1,537.41)
Excise duty		-	1,983.47	1,983.47
Employee benefits expenses	H	3,206.93	108.43	3,315.36
Finance costs	F	1,530.13	1.47	1,531.60
Depreciation and amortization expenses		1,369.49	247.91	1,617.40
Other expenses		4,491.57	(183.85)	4,307.72
TOTAL EXPENSES		**28,211.10**	**2,157.43**	**30,368.53**
Profit before tax		681.19	(169.63)	511.56
TAX EXPENSES				
(a) Current tax		144.07	-	144.07
(b) Deferred tax		(91.29)	27.75	(63.54)
TOTAL TAX EXPENSES		**52.78**	**27.75**	**80.53**
PROFIT FOR THE PERIOD		**628.41**	**(197.38)**	**431.03**
Other Comprehensive Income				
(i) Items that will not be reclassified subsequently to profit or loss				
Remeasurement of the net defined benefit liability/assets		-	108.43	108.43
Change in fair value of current investment		-	0.91	0.91
(ii) Items that will be reclassified subsequently to profit or loss				
Total other comprehensive income		**-**	**109.34**	**109.34**
Total Comprehensive Income		**628.41**	**(88.04)**	**540.37**
Earnings per Equity Share of Face Value of ₹ 5/- each				
(a) Basic		2.33	(0.33)	2.00
(b) Diluted		2.33	(0.33)	2.00

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Explanations for reconciliation of balance sheet previously reported under IGAAP to Ind AS

A. Property, Plant and Equipment

Items such as spares ,tools has been capitalized as they satisfy the definition of PPE & measurement criteria. Accordingly depreciation has been charged on same where as under IGAAP it was charged on consumption basis, the same has been reversed.

B. Investments

Investment in equity instruments are carried at fair value through P&L in Ind AS, as compared to being carried at cost under IGAAP

C. Measurement of Financials Assets/Liabilities at amortised cost

Under Ind AS, certain financial assets and financial liabilities are measured at amortised cost which involves the application of effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability. The interest unwinding is charged through profit and loss in subsequent period.

D. Investments

Investment in equity instruments are carried at fair value through OCI in Ind AS, as compared to being carried at cost under IGAAP

NOTES TO FINANCIAL STATEMENTS

E. Other equity

a) Adjustments to retained earnings and other comprehensive income have been made in accordance with Ind AS for the above-mentioned line items.

b) In addition, as per Ind AS 19, actuarial gains and losses are recognized in other comprehensive income as compared to being recognized in the Statement of Profit and Loss under IGAAP.

F. Transaction Cost

(i) Transaction costs in respect of bank loans are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method, as compared to charging to profit and loss in the initial year of loan when expense is incurred.

(ii) Such amortization of expense is being added to CWIP in accordance with Ind AS 23

G. Revenue From operations

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented in notes to the statement of profit and loss."

H. Employee Benefit Expense

Under the Previous GAAP, these remeasurements were forming part of the profit or loss for the year.
Under Ind AS, remeasurements i.e. actuarial gains and losses, are recognised in other comprehensive income instead of the statement of profit and loss.

Cash Flow Statements

There were no significant reconciliation items between cash flows prepared under IGAAP and those prepared under Ind AS

2.23. Disclosure on Specified Bank Notes.

During the previous year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 30, 2017. The details of SBNs held and transacted during the previous year period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(₹ in INR)

Particulars	SBN*	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1,40,500	89,591	2,30,091
Add : Permitted receipts	-	7,17,565	7,17,565
Less : Permitted payments	-	6,03,195	6,03,195
Less : Amount deposited in Banks	1,40,500	-	1,40,500
Closing cash in hand as on 30.12.2016	-	2,03,961	2,03,961

* For the purpose of this clause, the term 'Specified Bank Notes' (SBN) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

As per our Report of even date

for **Laxminiwas & CO**
Chartered Accountants
Firm's Registration Number : 011168S

Dayaniwas Sharma
Partner
M. No : 216244

Place : Hyderabad
Date : 16th May 2018

For and on behalf of the Board of Directors of
Pitti Engineering Limited
CIN : L29253TG1983PLC004141

Sharad B Pitti
Chairman & Managing Director
DIN : 00078716

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

Place : Hyderabad
Date : 16th May 2018

N. R. Ganti
Director
DIN : 00021592

N. K. Khandelwal
President - Corporate Resources & CFO
M. No : 074967

NOTICE

of the Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of Pitti Engineering Limited (Formerly Pitti Laminations Limited) will be held on Monday, the 24th day of September, 2018 at 4.00 P.M at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad - 500 082 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Shri Akshay S Pitti (DIN:00078760) who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. **To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, as amended from time to time, the remuneration payable to M/s. S S Zanwar & Associates, Cost Accountants (Firm Registration No.100283), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2019 amounting to ₹ 2,00,000/- (Rupees two lakhs only) plus goods and service tax as applicable and reimbursement of out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

4. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT in accordance with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent be and is hereby accorded for Shri M Gopalakrishna, IAS (Retd) (DIN: 0088454) to continue as an Independent Director of the Company from April 1, 2019 till the completion of his present term i.e. up to 21st September 2019."

5. **To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent of the members of the Company be and is hereby accorded to the material related party transactions as per the details given in the explanatory statement annexed to this notice entered into during the financial year 2017-18 and to be entered into during the financial year 2018-19 on such terms and conditions as may be mutually agreed upon, however that contract(s)/ transaction(s) so carried out shall at all times be on arm's length basis and in the ordinary course of the Company's business.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt that may arise with regard to giving effect to the above resolution, sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company or to any one or more Directors of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution."

6. **To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

   "RESOLVED THAT in supersession of the special resolution passed by the Members of the Company at the Annual General Meeting held on 22nd September 2014 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), for borrowing, from time to time, at their discretion for the purpose of the business of the Company, from any one or more banks, financial institutions and other persons, firms, bodies corporate, as it may consider fit, any sum or sums of monies, on such terms and conditions as the Board may deem fit notwithstanding that the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loan obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed ₹ 650 crores (Rupees six hundred and fifty crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in supersession of the special resolution passed by the Members of the Company at the Annual General Meeting held on 22nd September 2014 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof), to create such charges, mortgages, pledge and hypothecations in addition to the existing charges, mortgages, pledge and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the substantial assets of the Company in certain events in favour of banks/financial institutions, other investing agencies and trustees for the holders of debentures/bonds/other instruments to secure rupee/foreign currency loans and/or the issue of debentures whether partly/fully convertible or non-convertible and/or rupee/foreign currency convertible bonds and/or bonds with share warrants attached (hereinafter collectively referred to as "Loans") provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said loans, shall not, at any time exceed ₹ 650 crores (Rupees six hundred and fifty crores only).

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized and empowered to enter into, sign, seal and execute and deliver such arrangements, assignments, conveyances, covenants, contracts, deeds, writings and other instruments and to do all such acts, deeds, matters and things in the name and on behalf of the Company as the Board may consider expedient, usual, proper or desirable for creating mortgages / charges / hypothecation on all or any of the immoveable and moveable properties of the Company, both present and future, which may be beneficial and convenient to the Company."

By order of the Board
For **Pitti Engineering Limited**

Mary Monica Braganza
Company Secretary & Compliance Officer
FCS : 5532

Place : Hyderabad
Date : 13th August, 2018

Notice
of the Annual General Meeting

Notes:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Businesses under Item No. 3 to 7 to be transacted at the Annual General Meeting (AGM) is annexed hereto. The relevant details, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this AGM is also annexed herewith as Annexure 1.

2. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member.

   The instrument of proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable.

3. Corporate members intending to send their authorised representative to attend the AGM are required to send a certified copy of the Board Resolution authorizing them to attend and vote on their behalf at the AGM.

4. Members, Proxies and Authorised Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM.

5. Relevant documents referred to in the accompanying notice are open for inspection by the members at the Registered office of the Company on all working days between 11.00 a.m and 1.00 p.m upto the date of this AGM and also at the AGM.

6. The requirement to place the matter relating to appointment of auditors for ratification by members at every AGM is done away with vide notification dated 7th May 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly no resolution is proposed for ratification of Auditors who were appointed in the AGM held on 6th September 2017.

7. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 18th September 2018 to Monday, 24th September 2018 (both days inclusive) in connection with the AGM.

8. As mandated by Securities and Exchange Board of India:

   (a) Members holding shares in physical form, if not already submitted, should submit their PAN and Bank Account details to the Registrar and Transfer Agent of the Company, XL Softech Systems Limited, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034. Members holding shares in dematerialised form may contact the Depository Participants with whom they maintain their demat accounts.

   (b) Members holding shares in physical form are advised to dematerialise their shares with a view to facilitate seamless transfer of shares. SEBI has vide notification No. SEBI/LAD/NRO/GN/2018/24 dated 8th June, 2018 made transfer of shares of listed companies to be mandatorily in demat mode only. Effective from 5th December, 2018, the shares of the Company can be transferred only in dematerialised form.

9. **Members are requested to:**

   (a) Intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, PAN, mandates, nominations, power of attorney, bank details to the Registrar and Transfer Agent of the Company in case of shares held in physical form and to their Depository Participants in case the shares are held by them in dematerialized form.

   (b) Consolidate their holdings into one folio in case they hold shares under multiple folios in the identical order of names. The details of such folios together with the share certificates for consolidation into one folio may be send to the Company or the Registrar and Transfer Agent of the Company.

   (c) Register /update their e-mail address with the Registrar and Transfer Agent of the Company in case of shares held in physical form and with their Depository Participants in case the shares are held by them in dematerialized form for receiving all communications from the Company electronically.

   (d) Quote their folio number/client ID/DP ID in all correspondence to the Company and the Registrar and Transfer Agent of the Company.

10. Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose email addresses are registered with the Company/

Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2017-18 will also be available on the Company's website viz. www.pitti.in

11. Members seeking any information with regard to accounts are requested to write to the Company at least 7 days in advance of the AGM, to the attention of the Company Secretary, so as to enable the Company to keep the information ready.

12. As per the provisions of Section 72 of the Companies Act, 2013 the facility for making nomination is available for the members in respect of the shares held by them. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH-13 duly filled in to the Registrar and Transfer Agent of the Company, in case the shares are held by them in physical form. Members holding shares in dematerialized form may contact their respective Depository Participants for availing this facility.

13. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.

14. A route map showing directions to reach the venue of the 34th AGM is annexed.

15. E-Voting

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice.

II. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") as the agency to provide remote e-voting facility.

III. The members whose names appear in the Register of Members / List of Beneficial Owners as on Monday, 17th September, 2018(cut-off date) are entitled to vote on the the resolution set forth in this notice. The e-voting period will commence on Friday, 21st September 2018 (9.00 AM IST) and will end on Sunday 23rd September, 2018 (5.00 PM IST).

During this period, members of the Company holding shares either in physical form or dematerialized form as on the cut-off date may caste their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

IV. The Company has appointed Shri Ajay Kishen, Practising Company Secretary (CP No. 5146) as Scrutinizer to conduct and scrutinize the e-voting process and poll at the AGM in a fair and transparent manner.

1. Instruction for e-voting

A. In case of members receiving e-mail (for members whose email address are registered with the Company / Registrar)

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on Friday, 21st September 2018, 9.00 AM IST and will end on Sunday, 23rd September, 2018, 5.00 PM IST.During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Monday, 17th September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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of the Annual General Meeting

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	› Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
	› In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	› Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

B. In case of members receiving the physical copy of notice of AGM (for members whose e-mail ids are not registered with the Company/Depositories):

i. Please follow all the steps from S.No. (i) to S.No. (xvii) to cast vote

C. General Instructions:

i. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on Monday, 17th September, 2018.

ii. Members can opt for only one mode of voting, i.e., either by physical poll or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical poll will be treated as invalid.

iii. The facility for voting through polling paper shall also be made available at the meeting and the members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting.

iv. The member who cast their vote by e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

v. The Scrutinizer, after scrutinising the votes cast at the meeting through poll and through e-voting will, not later than forty eight hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.pitti.in. The results shall simultaneously be communicated to the Stock Exchanges.

Explanatory Statement under section 102 of the Companies Act, 2013

Item No. 3

The Board of Directors of the Company at the meeting held on 16th May 2018, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. S S Zanwar & Associates, Cost Accountants to conduct audit of cost records maintained by the Company for the financial year ending 31st March, 2019. In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification by the Members of the Company.

None of the Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the ordinary resolution set out at Item No. 3 of the notice for approval by the members.

Item No. 4

The Members have at the Annual General Meeting of the Company held on 22nd September 2014 approved the appointment of Shri M Gopalakrishna, IAS (Retd) as an Independent Director of the Company for a period of five years with effect from 22nd September 2014. Shri M Gopalakrishna, IAS (Retd) will complete his present term on 21st September 2019.

In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 9th May 2018, effective from April 1, 2019 consent of the Members by way of Special Resolution is required for continuation of a Non-Executive Director beyond the age of seventy five years.

Shri M Gopalakrishna 79 years, is an IAS (Retd.) officer and is a Graduate in Sciences and Law. He joined Indian Administrative Service (IAS) in 1962. Worked under the Governments of Assam, Andhra Pradesh and Government of India. Retired as Chairman of Rural Electrification Corporation in 1997 in the rank of Secretary to the Govt. of India. He has wide and varied administrative, corporate and managerial experience of nearly six decades in Government and Public Sectors in the promotion, development and regulation of industry and power utilities. He Was Director on several Industrial Promotion and Development Corporations and Manufacturing companies in the Government of India, Government of A.P. and Government of Assam.

He is also the recipient of the "BHISHMA AWARD" awarded in 2018 by the International Knowledge and Opportunities Network (IKON), Hyderabad, Dean Paul H. Appleby Award of IIPA for distinguished service to Public Admn. in 2017 and Rajiv Gandhi Sadbhavana Award, Hyderabad in 2017 among many other awards he holds.

The Nomination & Remuneration Committee ('the Committee') and the Board of Directors of the Company ('the Board') are of the view that in order to take advantage of Shri M Gopalakrishna's counsel and advice, especially in Industrial Management, it would be appropriate that he continues to serve on the Board till the completion of his present term of appointment as already

Notice
of the Annual General Meeting

approved by the Members. Accordingly, the Board at the meeting held 13th August 2018 on the recommendation of the Committee, recommended for the approval of the Members, continuation of Shri M Gopalakrishna, IAS (Retd) as an Independent Director of the Company from April 1, 2019 till the completion of his present term i.e. up to 21st September, 2019, on the existing terms and conditions.

Shri M Gopalakrishna, IAS (Retd) is interested in this Special Resolution. None of the other Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the special resolution set out at Item No. 4 of the notice for approval by the members.

Item No. 5

Your Company has entered into transactions in its ordinary course of business and on arm's length basis with Pitti Casting Private Limited (PCPL) a related party as defined under Section 2 (76) of the Companies Act, 2013. The transactions are dependent on the requirement of the Company for its products from time to time and the ability of supply of specified material by PCPL. During the course of its business the Company also sells its products to PCPL.

As per Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all related party transactions shall require the prior approval of the audit committee and approval of members in case of material related party transaction, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of Company as per the last audited financial statements.

Accordingly the Audit Committee has approved the transactions entered into with PCPL. The details of the transactions entered into with PCPL during the year 2017-18 are detailed below:

Nature of transactions	Amount in ₹ lakhs	% of previous year turnover of the company
Purchase of goods & services	3,304.18	11.67
Sales of goods & services	683.40	2.41
Total	**3987.57**	**14.09**

The transactions with PCPL for the year 2018-19 in respect of purchase / sale of goods & services is estimated at ₹ 7200 lakhs (19.09% of previous year turnover)

The above transactions entered into with PCPL are entered into in the ordinary course of business and at arm's length basis, hence the provisions of section 188 of the Companies Act, 2013 read with rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are not applicable to the above transactions.

As per Regulation 23(7) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 all material related party transactions shall require approval of the members through resolutions and all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

Except Shri Sharad B Pitti and Shri Akshay S Pitti none of the other Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this resolution.

Shri N R Ganti and Shri N K Khandelwal have resigned from the Board of PCPL on 21st April 2018 and 28th May 2018 respectively and shall be considered interested in the transactions entered into with PCPL upto the date of their resignation from the Board of PCPL.

The Board recommends the oordinary resolution set out at Item No. 5 of the notice for approval by the members.

Item No. 6 & 7

The Members have at the Annual General Meeting of the Company held on 22nd September 2014 authorised the Board of Directors to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties

of the Company as security in favour of lending agencies for a sum not exceeding ₹ 400 crores (Rupees four hundred crores only).

Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits to ₹ 650 crores (Rupees six hundred and fifty crores only) under the provisions of Section 180(1)(c) of the Companies Act, 2013 (the "Act"). The borrowings by a Company, in general, are required to be secured by mortgage or charge on all or any of the moveable or immovable properties of the Company in such form, manner and ranking as may be determined by the Board from time to time, in consultation with the lender(s).

Your consent is required under the provisions of Sections 180(1)(c) and 180(1)(a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

None of the other Directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the special resolutions set out at Item No. 6 & 7 of the notice for approval by the members.

By order of the Board
For **Pitti Engineering Limited**

Place : Hyderabad
Date : 13th August, 2018

Mary Monica Braganza
Company Secretary & Compliance Officer
FCS : 5532

ANNEXURE - 1

Information about the Directors proposed to be appointed / re-appointed

Name	Shri Akshay S Pitti		Shri M Gopalakrishna	
Age	32 years		79 years	
Qualification	B. Com		IAS/BSC/BL/AMP CANADA	
Occupation	Business		Retired from Government service	
Expertise in the specific functional area	Industrial management		Industrial management	
Date of first appointment on the Board	14.10.2004		28.06.2007	
Shareholding in Pitti Engineering Limited	41,58,200 shares, 13.94%		Nil	
Relationship with other Directors/Key Managerial Personnel	Son of Shri Sharad B Pitti and not related to any other Director / Key Managerial Personnel		Not related to any Director / Key Managerial Personnel	
Directorships and Membership/ Chairmanship of committees of other Board	**Directorship**	**Committee positions**	**Directorship**	**Committee positions**
	Pitti Castings Pvt Ltd	No Committee positions held	JOCIL Ltd	
	Pitti Electrical Equipment Pvt Ltd		Olectra Greentech Ltd	Audit Committee (M) Nomination and Remuneration Committee (C) Stakeholders Relationship Committee (M)
	Pitti Holdings Pvt Ltd		Suven Life Sciences Ltd	Audit Committee (M)
			BGR Energy Systems Ltd	Audit Committee (M)
			Nuziveedu Seeds Ltd	Nomination and Remuneration Committee (C)
	Pitti Components Ltd		NSL Textiles Ltd	Audit Committee (M)
			Prabhat Agri Biotech Ltd	Audit Committee (M)
			NSL Renewable Power Pvt Ltd	Audit Committee (M)

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PITTI
ENGINEERING SOLUTIONS
— Since 1983 —

PITTI ENGINEERING LIMITED
(Formerly Pitti Laminations Limited)
CIN: L29253TG1983PLC004141
Registered Office: 6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda
Hyderabad – 500 082.
Website: www.pitti.in E-mail: shares@pitti.in
Tel.: +91-40-23312774, 23312770, Fax: +91-40-23393985

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the 34th Annual General Meeting of the members of the Company held on Monday 24th September 2018 at 4:00 p.m. at the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 082

Folio No. ..... DP ID ..... Client ID:* .....

Full Name & Address of the Member in Block Letters: .....

No. of Shares held .....

Name of the Proxy (if any) in Block Letters .....

.....
Signature of the Shareholder / Proxy

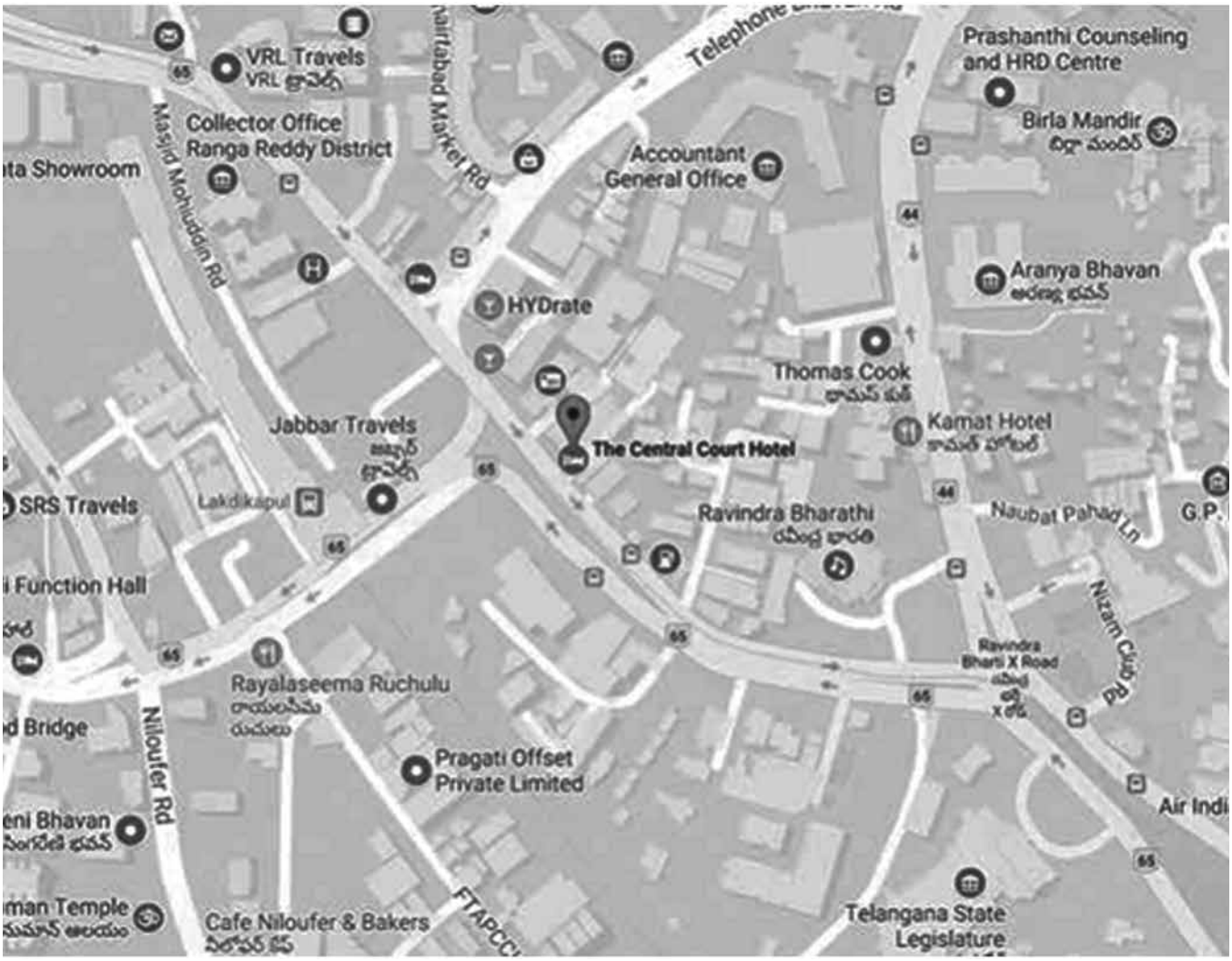
* Strike out whichever is not applicable

Route Map to the Venue of the 34th Annual General Meeting

Venue : The West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 082

Day & Date : Monday, 24th September 2018

Time : 4.00 PM



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Form No. MGT-11

PROXY FORM

(Pursuant to section 109(5) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Members(s) : .....

Registered Address : .....

Email ID : .....

Folio No. / DP ID – Client ID:.....

I/We being the member(s) of Pitti Engineering Limited holding ..... shares of the above named company, hereby appoint:

1) Name : .....

Address : .....

E-mail ID : .....

Signature : ..... or failing him

2) Name : .....

Address : .....

E-mail ID : .....

Signature : ..... or failing him

3) Name : .....

Address : .....

E-mail ID : .....

Signature : ..... or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 34th Annual General Meeting of the Company, to be held on Monday, 24th September 2018 at 4.00 p.m at the the West Minister Hall, The Central Court Hotel, 6-1-71, Lakdikapool, Hyderabad – 500 082 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Resolution	For	Against
1)	Adoption of the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon.		
2)	Appointment of Shri Akshay S Pitti, (DIN:0078760), Director retiring by rotation.		
3)	Ratification of the remuneration of the Cost Auditors for the financial year ending March 31, 2019.		
4)	Approval in terms of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, to the continuation of Shri M Gopalakrishna, IAS (Retd) (DIN: 0088454) as an Independent Director for the period from 1st April, 2019 to 21st September, 2019.		
5)	Approval of Related Party Transaction		
6)	Increase in borrowing limits of the Company		
7)	Creation of security on the properties of the Company, both present and future, in favour of lenders.		

Signed this ..... day of 2018

Signature of the Shareholder.....

Signature of the Proxy Holder .....

Affix Revenue Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Sharad B Pitti
Chairman & Managing Director

Shri Akshay S Pitti
Vice-Chairman & Managing Director

Shri N R Ganti
Independent Director

Shri Gummalla Vijaya Kumar
Independent Director

Shri M Gopalakrishna, IAS (Retd)
Independent Director

Ms. Gayathri Ramachandran, IAS (Retd)
Independent Director

Shri S Thiagarajan
Independent Director

Shri N. K. Khandelwal
President Corporate Resources & CFO

Ms. Mary Monica Braganza
Company Secretary & Compliance Officer

BANKERS

State Bank of India
Industrial Finance Branch,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082

Indian Overseas Bank
Adarshnagar Branch,
5-9-305A, Paigah Plaza, Basheerbagh,
Hyderabad – 500 029

Kotak Mahindra Bank
Jewel Pavani Towers,
Rajbhavan Road, Somajiguda,
Hyderabad – 500 082

STATUTORY AUDITORS

Laxminiwas & Co,
Chartered Accountants,
6-3-569, IV Floor, Opp. RTA Office,
Above BMW Showroom,
Khairatabad, Hyderabad – 500 082

REGISTERED OFFICE

6-3-648/401, IV Floor,
Padmaja Landmark, Somajiguda,
Hyderabad – 500 082

FACTORY

Plant II
Survey No. 1837 & 1838,
Jingoniguda Road,
Nandigaon Village & Mandal,
Ranga Reddy District – 509 223,
Telangana, India

Plant IV
Survey No.1837, Jingoniguda Road,
Nandigaon Village & Mandal,
Ranga Reddy District – 509 223,
Telangana, India

Aurangabad
Gut No. 194, Limbe Jalgaon Village,
Ganapur Mandal,
Aurangabad District – 431 133,
Maharashtra, India

SHARE TRANSFER AGENT

XL Softech Systems Ltd.
Plot No.3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad – 500 034

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F: +91 40 2339 3985
Email: info@pitti.in

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