Pitti Engineering Limited
(Formerly Pitti Laminations Limited)
ISO 9001:2015 ISO 14001:2015
www.pitti.in

PITTI

24th August 2026

To,
BSE Limited
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 2025-26 along with Notice of the 42nd Annual General Meeting

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We are to inform you that the 42nd Annual General Meeting (AGM) of the Company is scheduled to be held on Friday, 18th September 2026 at 4:00 P.M through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, please find enclosed a copy of the Annual Report for the financial year 2025-26 (including Notice of the AGM to be held on 18th September 2026).

We would like to inform you that the Annual Report, along with the Notice of the AGM, is being emailed to the shareholders whose e-mail addresses are registered with the Company / Registrar and Transfer Agent of the Company / Depository Participants. For those shareholders who have not registered their email address, a letter providing a web link and QR code from where the Notice of the AGM and Annual Report for the financial year 2025-26 can be accessed is being dispatched by post.

The Annual Report is also available on the company's website at
https://www.pitti.in/api/investor-relation/download/Annual%20Report%202025-2026.pdf?id=1061&disposition=inline.

We request you to take the same on record.

Thanking you,
Yours faithfully,
For Pitti Engineering Limited

MARY MONICA BRAGANZA
Digitally signed by MARY MONICA BRAGANZA
Date: 2026.08.24 13:00:47 +05'30'

Mary Monica Braganza
Company Secretary & Chief Compliance Officer
FCS 5532

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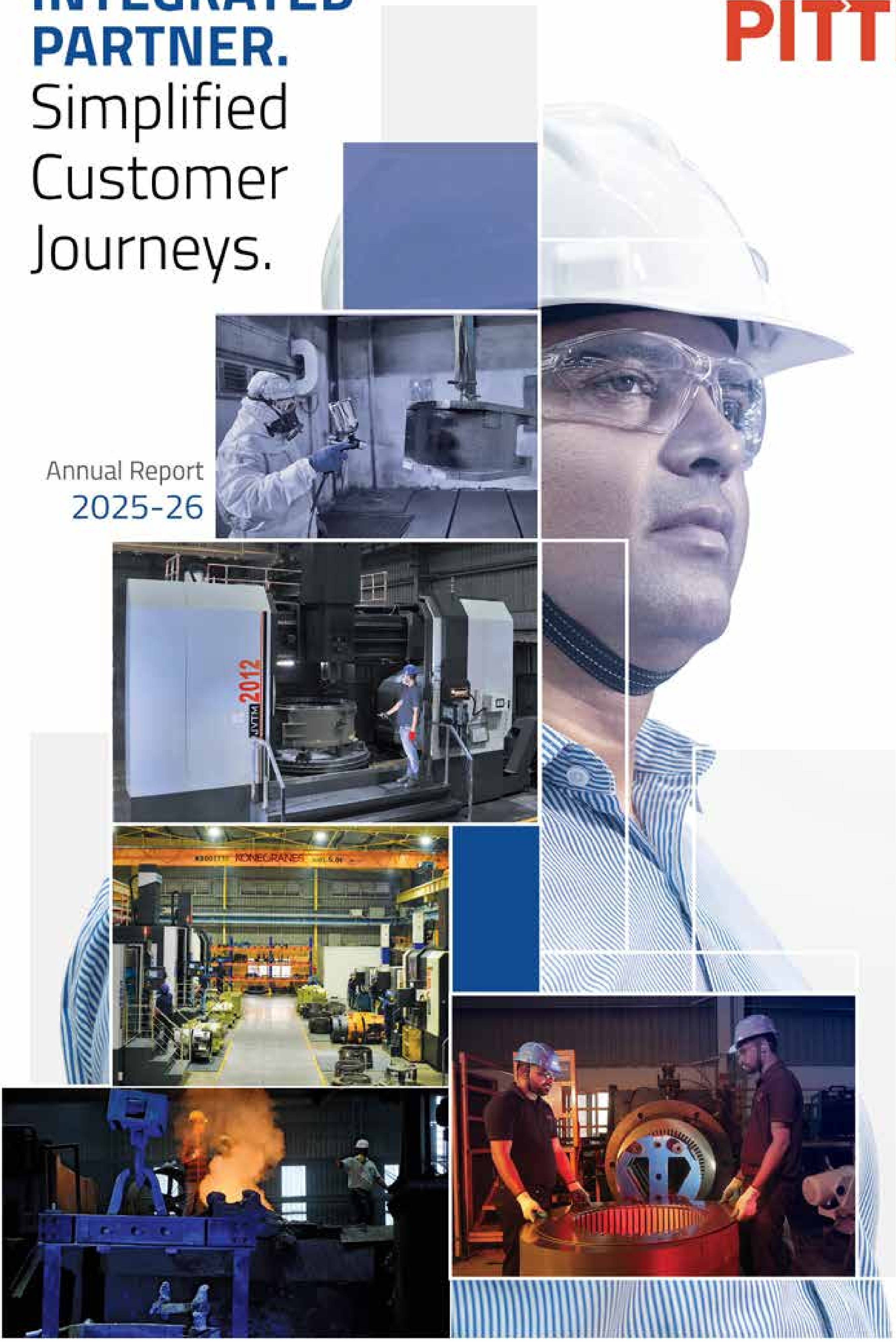
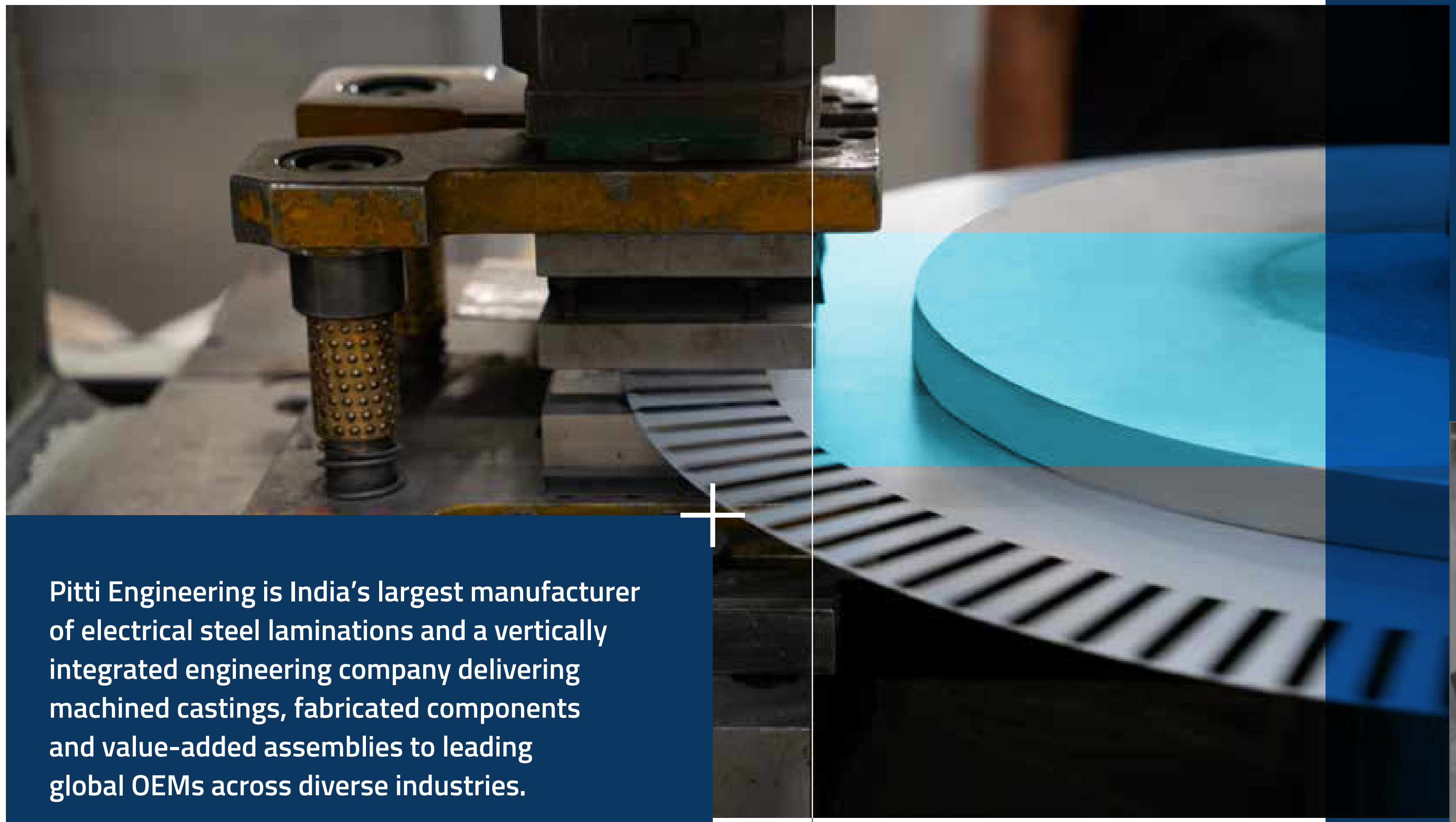
INTEGRATED PARTNER.
Simplified Customer Journeys.



Annual Report
2025-26

Pitti Engineering Limited

About Pitti Engineering



Pitti Engineering is India's largest manufacturer of electrical steel laminations and a vertically integrated engineering company delivering machined castings, fabricated components and value-added assemblies to leading global OEMs across diverse industries.

Across the Pages

Scan this QR code to navigate investor-related information.

https://www.pitti.in/investors

Disclaimer

This document contains statements about expected future events of Pitti Engineering Limited ('The Company'), which are 'forward-looking'. By their nature, 'forward-looking statements' require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other 'forward-looking statements' may not prove to be accurate. Readers are cautioned not to place undue reliance on 'forward-looking statements' as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the 'forward-looking statements'. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Integrated Partner. Simplified Customer Journeys.

Behind every electric motor, locomotive, and generator lies a complex chain of specialised processes: tooling, stamping, casting, machining, fabrication and assembly. Each supplier interface across this chain adds lead time, cost, and risk for equipment manufacturers.

Pitti Engineering ('The Company' or 'We') was founded on a simple yet powerful idea – engineering partnerships should eliminate complexity, not create it. For over four decades, this belief has guided our evolution, shaping every investment, every capability we have built, and every relationship we have nurtured.

What began as a lamination manufacturing business has evolved into a vertically integrated engineering solutions provider, serving railways, power generation, renewable energy, data centres, mining, and industrial sectors. As global manufacturers diversify supply chains and India strengthens its position as a preferred sourcing destination, customers increasingly seek partners offering capability, capacity, and consistency together.

That is the role we fulfil. We bring multiple engineering capabilities within a single, accountable ecosystem, enabling customers to move faster, manage less and achieve more.

Building Together. Growing with Purpose.

Sharad B Pitti
Founder & Chairman

Akshay S Pitti
Managing Director & Chief Executive Officer

Dear Shareholders,

2025-26 was a year in which Pitti Engineering consolidated its platform and built the capability to grow beyond it. We strengthened our integrated manufacturing platform, expanded value-added capabilities, and deepened our position across the engineering value chain. At the same time, we committed capital to the capacities that will carry the Company through its next phase of growth. Every development of the year points to the same path: towards greater manufacturing depth, a broader offering, and a stronger ability to serve customers in mission-critical industries.

Building a Stronger Foundation

> India's investment-led growth cycle and rising demand for value-added engineering solutions continue to create a favourable long-term environment for our business.

The Indian economy remained among the fastest growing major economies in 2025-26, with real GDP growth estimated at 7.6%. Growth was underpinned by robust domestic demand, sustained public investment, and a recovery in rural consumption. Reinforcing this momentum, the Union Budget 2026-27 increased capital expenditure by 9% to ₹12.2 Lakh crores. The budget made significant allocations towards transport, power, manufacturing, and logistics – sectors that support demand directly in our key end markets.

The operating environment, however, tested the resilience of supply chains. Regulatory changes governing electrical steel availability resulted in an estimated domestic supply deficit of 1,50,000 tonnes. Meanwhile, geopolitical developments, elevated tariffs, and the West Asia conflict added further volatility to commodity prices, energy costs, and freight. Rather than allowing uncertainty to disrupt execution, we acted decisively. We maintained inventories of ₹394.91 crores, secured strategic sourcing arrangements with BIS-approved steel producers in Korea and Japan, and protected the uninterrupted execution of customer commitments. That protection came at a cost, in working capital and finance charges. We regard that cost as the price of dependability, and it has already been repaid in supply chain resilience and customer confidence.

Delivering through Integration

Operationally, the year validated our strategy. Consolidated lamination and assembly volumes grew 10.3% to 69,517 tonnes, while high value-added assemblies grew 21.8%, and shaft and stator-frame integrated assemblies by 31.9%, well ahead of loose laminations, reflecting a steadily improving mix. Casting and machined component volumes rose 15.4% to 12,012 tonnes. Capacity utilisation improved across all three businesses – 76% in sheet metal, 81% in machining and 71% in casting – supporting better absorption of fixed costs.

Our diversified end-market portfolio continued to serve us well. Traction motors and railway components remained the largest contributor at 33%, followed by power generation at 15% and industrial and commercial motors at 13%. Mining, special purpose motors, renewable energy, and data centres provided balance to the revenue base. Even as domestic railway capital expenditure moderated, international locomotive and metro programmes sustained demand.

Data centres emerged as a promising growth avenue. During the year, we expanded our customer base by two clients in this sector and diversified into new geographies, creating recurring revenue opportunities in one of the world's fastest-growing infrastructure segments. Exports on a consolidated basis contributed ₹531.31 crores, and our engagement with global OEMs continued to deepen as international supply chains diversify towards India.

Creating Capacity for the Next Phase

Capital investment remained a strategic priority. Our ongoing ₹150 crores brownfield programme, of which ~₹100 crores has been spent, will raise consolidated sheet metal capacity from 90,000 tonnes to 1,08,000 tonnes. It will also increase casting capacity from 18,600 tonnes to 24,600 tonnes, with additional machining hours already installed. The capacities will be operational by the first half of 2026-27. We went a step further this year, announcing a ₹290 crore capex project to expand our castings and machined components capabilities. Upon completion the expansion will nearly double the casting capacity to 36,000 tonnes and increase the machining capacity by 50% to 10,80,000 hours. These investments are anchored in demand visibility from marquee global customers across mining, locomotives, data centres, and power generation. They have a clear objective: to move higher across the engineering value chain as a preferred manufacturing partner to global OEMs.

Financial Performance Reflecting Operational Discipline

> Disciplined execution led to another year of healthy financial performance, generating ₹1,952.91 crores consolidated revenue and ₹204.91 crores operating cash flow.

Our disciplined execution translated into another year of strong financial performance. Consolidated revenue grew 12.02% to ₹1,952.91 crores. Adjusted EBITDA rose faster still – 19.90% to ₹325.79 crores, with the adjusted EBITDA margin expanding to 17.03% from 15.94%, while adjusted profit after tax reached ₹128.06 crores. Operating cash flows remained healthy at ₹204.91 crores, even as we took a deliberate decision to carry higher inventories, and the debt-to-equity ratio improved to 0.74. As supply-side pressures ease and the expanded payables cycle normalises with resumed procurement, we expect a meaningful release of working capital by end of H1 2026-27. Combined with internal accruals, this release will fund our committed capital programme without impacting balance sheet strength.

Looking Ahead

Manufacturing ecosystems are only growing more interconnected, and customers will continue to seek partners capable of delivering integrated solutions with speed, reliability, and execution certainty.

Guided by our vision of *Simplifying the Engineering Supply Chain,* our priorities for 2026-27 remain clear. We will execute our capital programme with discipline, scale the machined components business, improve working capital efficiency, and deepen relationships with our customers across India and global markets.

The investments made over the past year – in capacity, capability, and customer partnerships – have laid a stronger foundation for sustainable growth. We enter the year ahead with confidence, purpose, and a clear ambition to create enduring value for our stakeholders.

We thank our shareholders for their continued trust, our customers for their partnership, and our employees for their commitment and skill. We are equally grateful to our bankers, suppliers, and the communities where we operate for their unwavering support. We look forward to reporting further progress in the year ahead.

Sharad B Pitti

Founder & Chairman

Akshay S Pitti

Managing Director & Chief Executive Officer

Reading the Market.
Seizing the Moment.

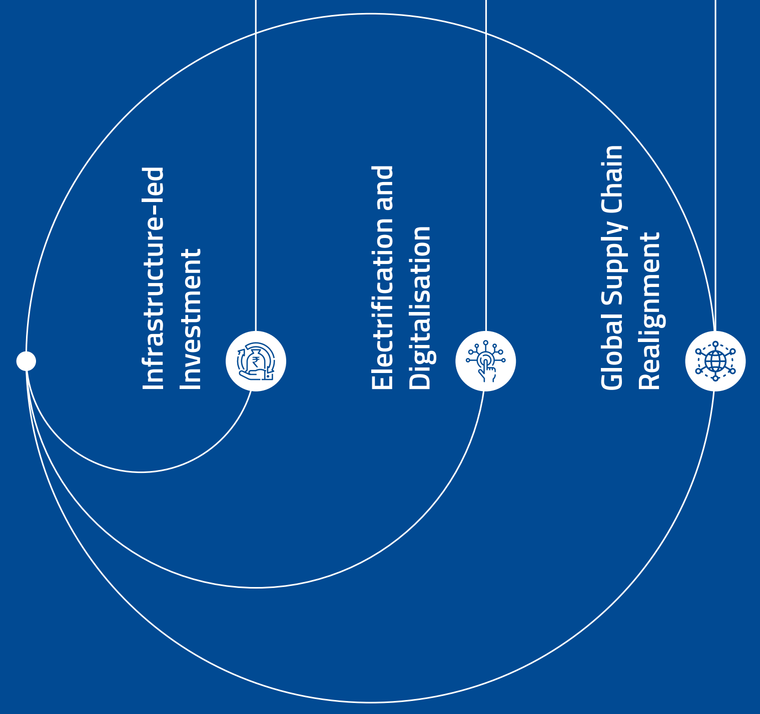
India stands at the threshold of a transformative industrial era. Renewed investments in infrastructure, manufacturing, electrification, and clean energy are powering long-term growth. Simultaneously, global supply chains continue to diversify, prompting customers to seek partners that can deliver larger, more complex engineering solutions. Together, these shifts are driving durable demand for integrated manufacturing, precision engineering, and value-added assemblies across the industries Pitti Engineering serves.

Three Structural Forces Reshaping Engineering Demand

International OEMs are increasingly consolidating sourcing with integrated manufacturing partners capable of delivering scale, quality, and execution certainty

From agriculture to AI infrastructure, the transition towards a more electrified and digital economy is accelerating demand for efficient motors, generators, and precision-engineered components

Ongoing public and private investment in railways, power, and manufacturing is expanding the installed base of rotating electrical equipment



RAILWAYS
Momentum on Track

Global investments in high-speed rail, metro systems, railway electrification and sustainable mobility are expanding demand for advanced rolling stock and traction equipment. Railways, our largest end market contributing 33% of revenue, derive the majority of its demand from international markets, with exports accounting for nearly 63% of the railway business. India's ongoing investments in metro rail, dedicated freight corridors, high-speed rail and electrification, alongside global locomotive and metro programmes, create opportunities across both export and domestic markets. Our long-standing relationships with leading global railway OEMs and Indian production units enable us to participate across these evolving rail platforms.

The Opportunities

- The global railroad market is projected to grow from USD 343.8 billion in 2025 to USD 462.3 billion by 2034
- Investments in high-speed rail and railway electrification across North America, Europe and Asia-Pacific are expanding demand for traction motor components
- ₹79,072 crores allocated for new track construction under the ₹2.78 Lakh crores railway capex programme
- Nearly 25,000 daily train operations and 741 crore passengers in 2025-26 driving network expansion and fleet modernisation
- 208 Amrit Bharat stations modernised, including 157 of them in Aspirational Districts
- ₹9,183 crores of private investment mobilised through 128 Gati Shakti Cargo Terminals, with a further 292 approved

How We Participate

Traction stator cores, stator and rotor laminations, under carriage and drive motor components, gear cases, machined components and integrated assemblies supplied to Indian Railways' production units and global railway OEMs, serving domestic and international rail platforms.

(Source: IMARC, Global Railroad Market, February 2026, Press Information Bureau (PIB) India Portal, April 2026)

GENERATORS AND DATA CENTRES
Digital World Needs Dependable Power

The rapid expansion of data centres and AI infrastructure is increasing demand for reliable backup and prime power systems, creating opportunities for manufacturers of precision-engineered components. Data Centres contributed 3% of our revenue in FY26, with rising computing intensity and higher-capacity generator requirements creating demand for specialised electrical components. Our capabilities in stators, rotors, housings and machined castings position us to serve OEMs supplying data centres, healthcare and industrial backup power applications.

The Opportunities

- The global generator sets market was valued at USD 35.63 billion in 2025 and is projected to grow to USD 52.11 billion by 2031
- Rising adoption of 2,000+ kVA generator sets is driving demand for electrical laminations and precision-engineered components
- AI workloads are increasing rack densities from 8-12 kW to 120 kW, driving demand for precision-engineered components
- Data centre capacity expanded from 375 MW in 2020 to nearly 1,500 MW in 2025
- Power demand from data centres projected to reach 13.56 GW by 2031-32
- 38,231 GPUs onboarded through 14 empanelled service providers, accelerating AI infrastructure deployment
- A proposed USD 11 billion, 1 GW AI-native campus likely to add significant high-capacity generator demand

How We Participate

Custom stators, rotors, generator housings, and machined castings for gen-set and alternator for OEMs serving data centres, healthcare, and industrial backup power.

(Sources: Mordor Intelligence, Generators Sets Market Size, January 2026, Mordor Intelligence, Data Centre Market Size, January 2026, IMARC Group, India Generator market, 2025, Press Information Bureau (PIB) Delhi Report on Data Centre Expansion, March 2026)

MOTORS, ALTERNATORS AND PUMPS

Mechanising and Electrifying Rural India

Industrial automation, electrification and rising energy-efficiency requirements are increasing demand for high-efficiency motors globally, while India's agricultural mechanisation and irrigation investments are expanding applications for motors, alternators and pumps. Our capabilities in electrical laminations, stators and rotors enable us to participate across pump, alternator and motor applications. The shift towards energy-efficient and solar-powered pumping is creating opportunities for advanced engineered components.

The Opportunities

- Premium-efficiency and variable-speed motors are driving demand for advanced electrical laminations
- Increasing agricultural mechanisation driving demand for motors, alternators and pumps
- Energy-efficient and solar-powered pumps creating demand for high-performance stators, rotors, and laminations
- Electric and alternative-fuel sources opening opportunities in next-generation motor components

How We Participate

Stators, rotors, and laminations for pump, alternator and motor OEMs, with energy-efficiency norms steadily enriching product content.

(Source: Mordor Intelligence, Electric Motor Market Size, January 2026, IMARC Group India Tractor Market Report, 2025)

OIL, GAS, AND MINING

Heavy Industry Keeps its Heavy Demand

Growing demand for critical minerals and continued investments in mining, oil and gas exploration and infrastructure are supporting demand for heavy-duty equipment and precision-engineered components. Our capabilities in heavy-duty machined castings, large castings, traction motor and alternator components and fabricated assemblies enable us to serve mining, off-highway and oil and gas applications, where demanding operating conditions and high equipment uptime requirements create opportunities for engineered, value-added components.

The Opportunities

- The global mining market is projected to grow from USD 2.06 trillion in 2025 to USD 2.16 trillion in 2026, supporting demand for heavy-duty machined components
- The global oil and gas market is projected to grow from USD 8.33 trillion in 2025 to USD 10.8 trillion by 2030, driven by investments in exploration, LNG infrastructure and refinery expansion
- Fourteen exploration blocks were awarded under OALP-VIII in 2025, expanding private participation to 22 blocks
- USD 3.2 billion committed by private refiners towards brownfield expansion and cleaner fuel production is supporting demand for pumps, compressors and precision-engineered components

How We Participate

Heavy-duty machined castings, components for special-purpose and traction motor alternator large castings and fabricated assemblies for mining and off-highway equipment, an anchor demand pool for the Company's announced capex

(Source: Research and Markets, Mining Market, January 2026, Research and Market, Oil and Gas Market, January 2026, Mordor Intelligence, India Oil and Gas Market, 2025)

RENEWABLE ENERGY

The Transition Runs on Rotating Equipment

The expansion of wind, hydro, pumped storage and other renewable energy infrastructure is increasing demand for large rotating electrical equipment and specialised components. Pitti Engineering's capabilities in large stator and rotor cores, electrical laminations, frames and machined components enable it to serve renewable equipment OEMs, while India's growing investments in pumped storage and grid infrastructure create opportunities for larger, more complex and value-added assemblies.

The Opportunities

- The global renewable energy market is projected to expand by USD 2.83 trillion between 2025 and 2030
- Over 2.14 GW of solar-wind hybrid capacity operationalised by a single developer, marking the pace of hybrid deployment
- A 500-MWh public-sector project strengthening grid integration, indicating that battery energy storage systems are gaining momentum
- India targets 57 GW of pumped storage capacity by 2031-32, creating opportunities for hydro generator components and specialised laminations
- Sustained demand for electrical laminations, precision-machined components, and value-added assemblies on the back of grid expansion and the energy transition
- The global hydro generators market is projected to grow from USD 166.8 billion in 2025 to USD 320 billion by 2035, supporting demand for specialised hydro generator laminations
- India's hydroelectric capacity is projected to increase from 50.7 GW in 2025 to 56.6 GW by 2034, creating opportunities for hydro generator components

How We Participate

Large stator and rotor cores, frames, laminations, and machined components for wind turbine generator and renewable equipment OEMs, including long-standing customers in the segment.

(Source: Technavio, Global Renewable Energy Market, April 2026, IMARC Group, India Renewable Energy market, 2025, Precedence Research, Hydro Generators Market, January 2026, Press Information Bureau, January 2026, IMARC, Hydroelectric Power Market, 2025)

WHY PITTI IS POSITIONED TO WIN

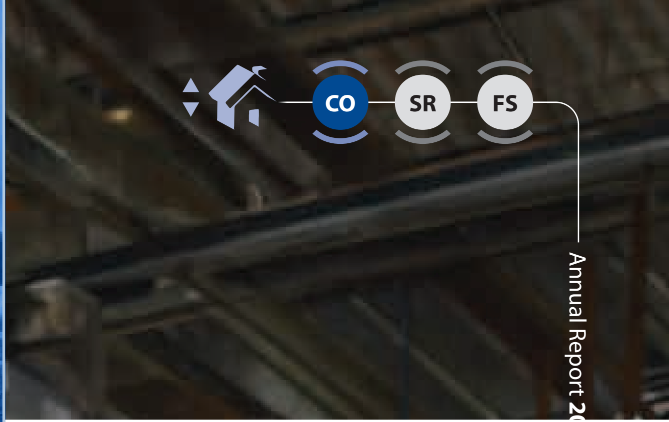
Railways, power generation, renewable energy, industrial, mining & oil, data centres, and agricultural equipment may serve different end markets, but they increasingly demand the same thing: a manufacturing partner capable of delivering precision-engineered, integrated components at scale, with uncompromising quality and execution certainty.

Four decades of steady capability-building have positioned us to meet this need. Our integrated manufacturing platform, diversified product portfolio and long-standing customer relationships enable us to participate across multiple structural growth sectors while simplifying supply chains and creating enduring value for customers.

Integrated by Design. Valued by Customers.

Pitti Engineering Limited is India's largest manufacturer and exporter of electrical steel laminations. This strong foundation has enabled us to evolve into a diversified, value-added engineering solutions provider, combining deep manufacturing expertise with expanding capabilities and a growing global presence.

Our vertically integrated manufacturing platform combines electrical steel laminations with tooling, stamping, machining, casting, fabrication, and integrated assemblies. For customers, that integration means one accountable partner instead of many, a simpler supply chain, and far greater certainty of execution. From six manufacturing locations across Telangana, Maharashtra, and Karnataka, we now serve the world's leading OEMs. We do this across a wide spread of industrial sectors, with an export presence spanning over 11 countries across six continents.



Vision

Simplifying Engineering Supply Chain

Mission

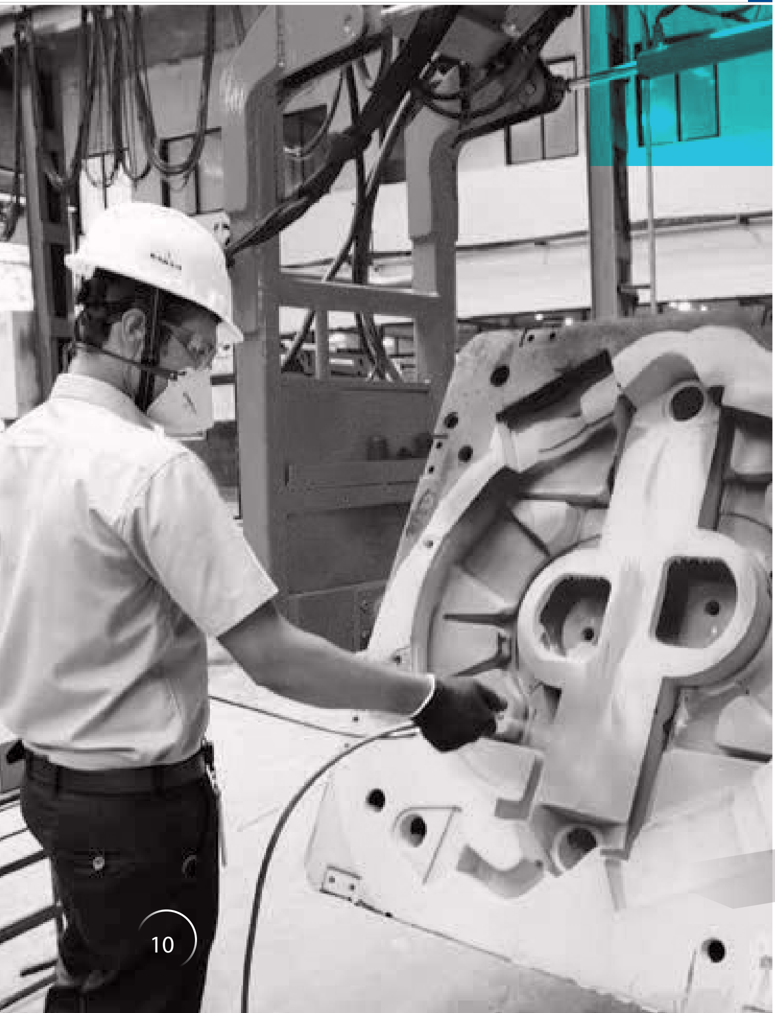
- To enhance capabilities with cutting-edge technology
- To integrate multiple engineering processes
- To contract customer supply chain
- To provide uniquely integrated component

Values

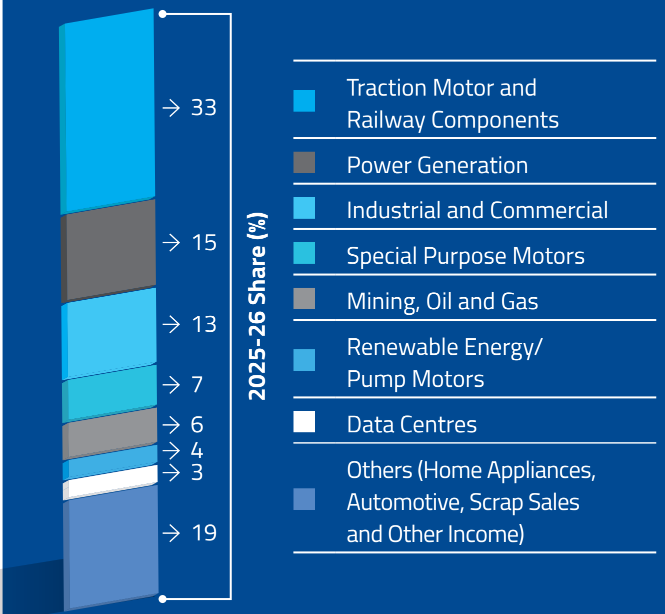
- Responsibility
- Sustainability
- Customer Centricity
- Quality First
- Employee Well-Being
- Governance & Transparency
- Collaboration & Trust

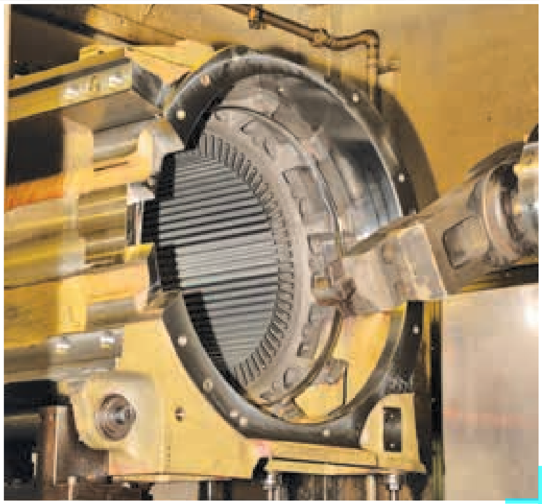
Industries We Serve

- **Traction Motor and Railway Components**
- **Power Generation**
- **Industrial & Commercial**
- **Special Purpose Motors**
- **Mining, Oil & Gas**
- **Renewable Energy**
- **Data Centres**
- **Pump Motors**
- **Home Appliances and Automotive**



Revenue Breakup by Industry

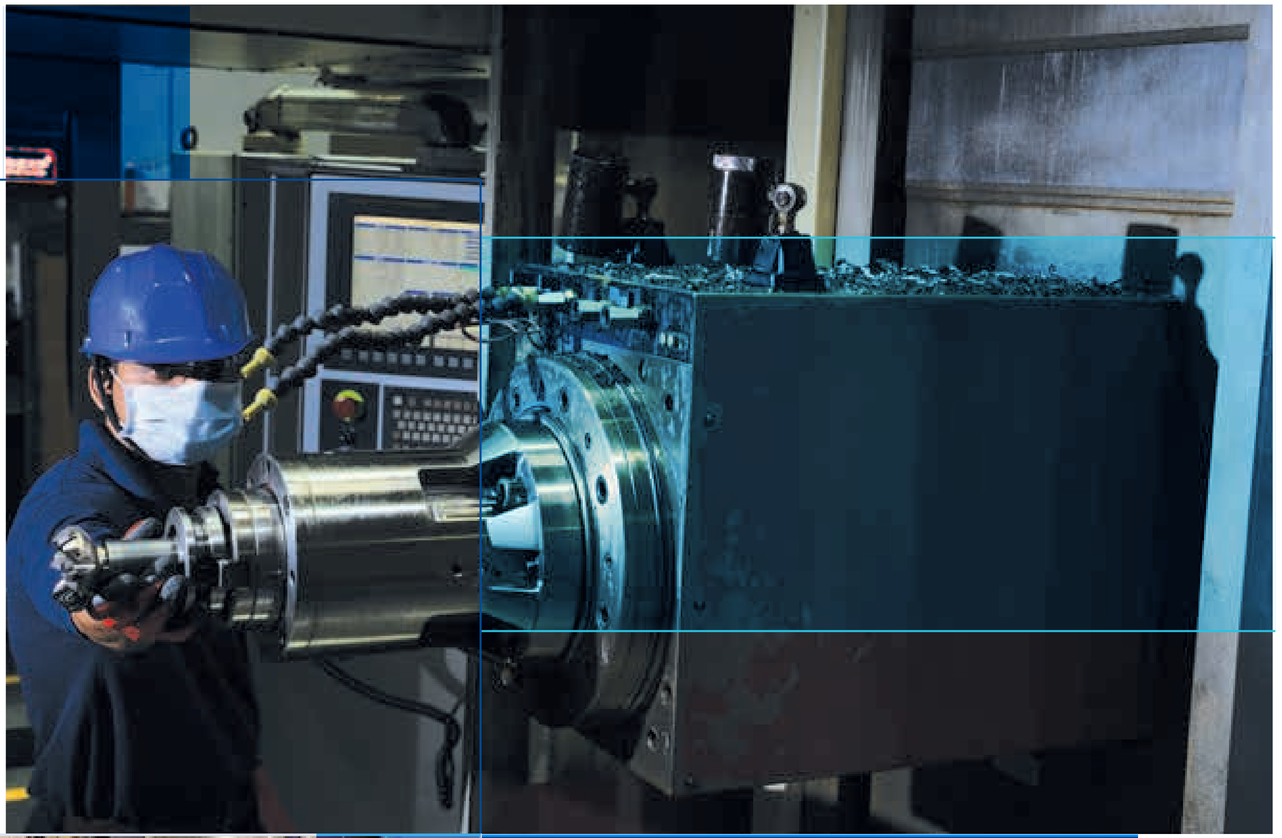




What Sets Pitti Engineering Apart

- **Market Leadership in Electrical Laminations**
- **Integrated Manufacturing Capabilities**
- **Marquee Clientele**
- **Presence across Diverse End Markets**
- **Customer-Centric Engineering Solutions**
- **Strong Tooling Expertise**
- **Expanding Global Export Footprint**

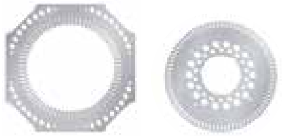
Integrated Solutions. Diverse Applications.



Our diversified product portfolio reflects the breadth of our integrated manufacturing platform and the depth of our engineering expertise. From electrical laminations and castings to precision-machined components and value-added assemblies, we deliver end-to-end solutions that address the evolving requirements of customers across industries and geographies.

Rotating Electrical Equipment

We offer a comprehensive portfolio of components for rotating electrical equipment. As India's largest manufacturer and exporter of electrical steel laminations, and a leading supplier to motor manufacturers, we support diverse applications across railways, power generation, renewable energy, data centres and industrial motors. Backed by advanced manufacturing capabilities, precision engineering, and integrated execution, our solutions enable customers to improve reliability and performance in mission-critical applications.

Loose Laminations		Precision-stamped electrical steel sheets, typically 0.5 mm thick, that stack to form the magnetic core of a motor or generator. Supplied loose for assembly at the customer's line, they are our portfolio's foundation product.
Traction Stator Core		The stationary laminated core of a railway traction motor, stacked and finished to the tight tolerances demanded by locomotive and metro propulsion systems.
Rotor Core		The laminated core of the rotating element of a motor, where dimensional accuracy and balance govern vibration, noise, and efficiency.
Welded Stator		A lamination stack consolidated into a single core by welding; delivered ready for the customer's winding operation.
Stator Assembly		A built-up stator incorporating insulation and associated child parts, enabling the customer to move directly to winding and final assembly.
Die Cast Rotors		Rotor cores with aluminium die-cast directly injected into the lamination slots, forming the rotating element of industrial motors, pumps, and appliances.

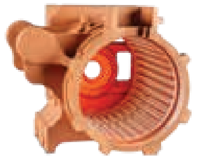
Casting

Our casting business manufactures high-quality ductile iron, grey iron, and alloy steel castings weighing from 50 kg to 3 tonnes, serving diverse industrial applications. An ongoing capacity expansion from 18,600 MT to 24,600 MT by H1 2026-27 and a planned increase to 36,000 MT by Q1 2029-30 will be executed through the capex announcements made by the Company. This positions the business well to meet rising demand across mining, railways, power generation, and industrial equipment.

Grey and SG Iron Castings

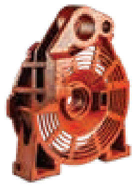
Grey iron castings offer vibration damping and machinability. SG (ductile) iron castings provide higher strength and shock resistance. Together they serve housings, frames, and structural parts across motor and equipment applications.

Stator Frame



The raw cast motor housing is subsequently machined in-house, showcasing our integrated casting-to-machining process.

End Shield



The casting that closes each end of a motor, houses the bearings, and holds the rotor in precise alignment with the stator.

Steel Casting

Low carbon and alloy steel castings for high-stress duty in railway, mining, and heavy engineering applications.

Machined Components

Shafts, stator frames, wheel hubs, gear cases, pedestal shafts – our machined components business builds the high-precision parts that demanding industrial applications require. With machine components ranging from 50 kg to 3 tonnes, the business achieved 81% capacity utilisation in 2025-26. We are now expanding our machining infrastructure to reach 10.8 Lakh machine hours by Q1 2029-30, backing growing demand from mining, locomotives, power generation, off-highway vehicles and data centres.

Gear Case		The machined housing that encloses, aligns, and protects the traction gear train of a locomotive or rail vehicle, transmitting drive from motor to axle.
Fabricated Stator Frame		The machined outer housing into which a wound stator core is fitted, providing mounting, structural rigidity, and heat dissipation for the motor or generator.
Diagonal Gear Case		Diagonal split-construction gear case variant engineered for specific rail drive arrangements, machined and assembled to fine tolerances.
Iron and Steel Cast Stator Frame		A large casted and precision-machined structural support used in traction, mining, off-highway motors, where dimensional accuracy and strength is desired for locomotive applications.
Windmill Pedestal		Precision-machined bearing part used in wind and large generator applications as a bearing support for the large rotating assembly.
Shafts		Precision-machined components that transmit rotational power in motors, generators, and industrial equipment.

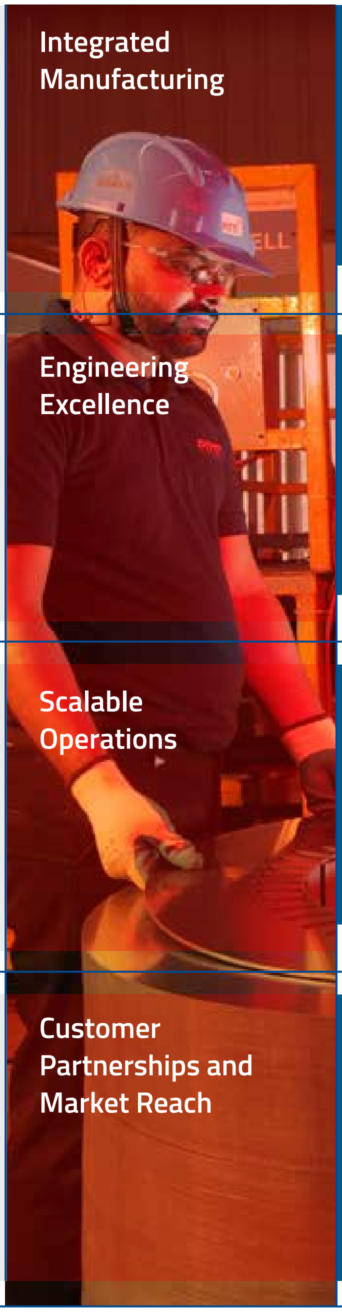
Value-added Products

The Company's progression up the engineering value chain is most visible in this vertical. The portfolio spans three tiers. The first is engineering commodities such as loose laminations. The second tier includes high value-added assemblies for niche, complex applications including data centres, railways, and wind turbine generators. The third is integrated assemblies, in which laminated cores are combined with machined shafts, frames, and other child parts, and supplied in near-ready condition. Only the final winding is left to the customer. Each step up this ladder increases engineering content, deepens customer integration, and improves realisation per tonne.

Rotor Assembly		A rotor core integrated with its machined shaft, copper bar insertion, induction-brazed, balanced and supplied as a single drop-in unit, eliminating an assembly stage at the customer's plant.
Traction Motor Sub-Assembly		Near-complete traction motor assemblies integrating the laminated core, machined frame and shaft, only winding and final fitment remaining with the OEM.
Ribbed Shafts		Precision-engineered wind generator shafts with integrated ribs designed to maximise torque transfer, increase load-bearing capacity, and enhance overall propulsion efficiency.
Wheel Hub		A precision-machined hub assembly for heavy and off-highway vehicles, combining casting, fabrication, heat treatment and machining capabilities in one product.
Large Welded Stator Core		Large stator welded cores for high-output generators and mini-hydro, marine generators, combining advanced fabrication, exceptional stacking and precision machining to deliver robust performance in high-capacity applications.
Shaft and Spider		A machined shaft integrated with a spider, the radial-arm structure that carries the rotor rim in large rotating machines such as traction generators.

Building Capability. Delivering Value.

Customers Shareholders Business Employees



Strategic Capability	How We Create Value	Value Created			Key Highlights
Integrated Manufacturing	A vertically integrated manufacturing platform spanning tooling, stamping, electrical laminations, machining, casting, fabrication and assemblies enables customers to source multiple precision-engineered components through a single manufacturing partner, simplifying procurement and improving execution certainty.	Single-source manufacturing partner Reduced supply chain complexity and shorter lead times Greater delivery reliability and long-term partnerships	Improved customer retention and business visibility		6 manufacturing locations Presence across 11+ countries 27% revenue from exports
Engineering Excellence	India's largest manufacturer and exporter of electrical steel laminations, supported by in-house application engineering, R&D, tooling and process development capabilities, enables the Company to co-develop customised, value-added engineering solutions with customers across diverse industries.	Application-specific engineering solutions Enhanced product performance and reliability	Higher-value product portfolio Entry into complex applications and new markets		India's largest manufacturer and exporter of electrical steel laminations 33% revenue from Railways
Scalable Operations	Continuous investments in automation, robotics, advanced manufacturing technologies and capacity expansion improve productivity, manufacturing consistency and operational efficiency while supporting high-volume, customised production for global OEMs.	Consistent quality and dependable delivery	Greater operating leverage and profitability	Technology-enabled manufacturing environment	76% Sheet Metal utilisation 81% Machining utilisation 71% Casting utilisation
Customer Partnerships and Market Reach	Long-standing relationships with marquee global OEMs, expanding exports across developed markets and a diversified presence across railways, power generation, renewable energy, mining, data centres, industrial motors, appliances and automotive applications reinforce the Company's position as a trusted engineering partner.	Trusted long-term partner High-quality products meeting stringent application requirements	Strong brand reputation and preferred supplier status Increased opportunities with existing and new global customers		Global OEM customer base Presence across multiple end markets Expanding exports to the US and Europe

Six Locations. One Shared Standard.

Our manufacturing network is the backbone of everything we promise customers: quality, scale, and reliability, delivered together. Strategically located units, supported by unified manufacturing systems, and centralised planning, ensure seamless, efficient production across the value chain, no matter how varied the customer requirements are.

Kothur, Telangana

Chhatrapati Sambhajinagar, Maharashtra

Macharam, Telangana

Nandigaon, Telangana

Tumakuru, Karnataka

Hosakote, Karnataka

Manufacturing Locations

Facility	State	Capabilities	Provenance
Kothur	Telangana	Laminations, low-to high-value assembly, large machined components	Organic
Chhatrapati Sambhajinagar	Maharashtra	Laminations, low-to high-value assembly, machined components	Organic
Nandigaon	Telangana	Fabrication and post processing of casting parts	Organic
Tumakuru	Karnataka	Laminations, low-to medium-value assembly	Acquired (in 2024 as a WoS)
Hoskote	Karnataka	Castings and foundry operations	Acquired (in 2024 as WoS)
Macharam	Telangana	Castings and foundry operations	Acquired (through Amalgamation in 2024)

End-to-End Manufacturing Capabilities

- Tooling and Manufacturing Technology: In-house design, engineering, and tooling capabilities support customised product development
- Lamination and Stamping: Manufacture of high-quality electrical steel laminations for rotating electrical equipment
- Foundry and Casting: Production of iron and steel castings ranging from 50 kg to 3 tonnes
- Fabrication and Fettling: In-house fabrication and finishing processes ensure quality and operational efficiency
- Precision Machining: Advanced machining capabilities for complex, high-precision components
- Integrated Assembly: Assembly of laminations, castings, shafts, and machined components into value-added sub-assemblies

Capacity and Utilisation

Rising utilisation across all three businesses in 2025-26 anchored the decision to expand. The committed programmes will increase capacity across each pillar of the platform.

Business	Capacity (2025-26)	Utilisation (2025-26)	Post-Expansion Capacity
Sheet Metal (MT)	90,000	76%	1,08,000 by H1 2026-27
Machining (Hours)	7,20,000	81%	10,80,000 by Q1 2029-30
Castings (MT)	18,600	71%	24,600 by H1 2026-27; 36,000 by Q1 2029-30

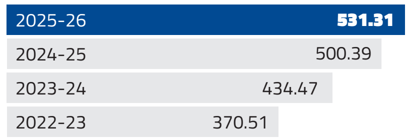
Future Expansion

The ₹290 crore capex programme will further strengthen the integrated casting and machining platform. Planned for commissioning by Q1 2029-30, the expansion will increase casting capacity to 36,000 MT and machining capacity to 10.8 Lakh machine hours. Supported by strong order visibility from leading customers, including Caterpillar, Voith, Progress Rail, Siemens Mobility and Medha Servo, the investment is aligned with growing opportunities across data centres, mining, off-highway vehicles and railways. At full ramp-up, the expanded capacity is expected to deliver asset turns of 1.0x to 1.2x.

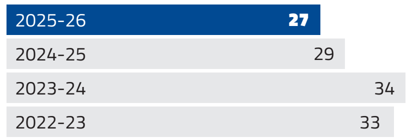
Revenue Contribution: Exports and Domestic

Even though export revenue has grown 43% over three years, the export share of revenue has moderated. This is not because exports slowed, but because the domestic businesses we acquired are scaling even faster. The Company's export engagement keeps deepening as global OEMs increasingly diversify sourcing towards India.

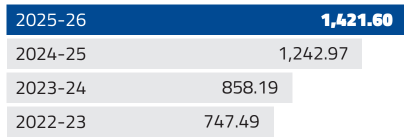
Exports (₹ crores)



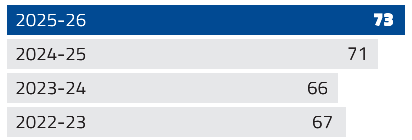
Export Share (%)



Domestic (₹ crores)



Domestic Share (%)

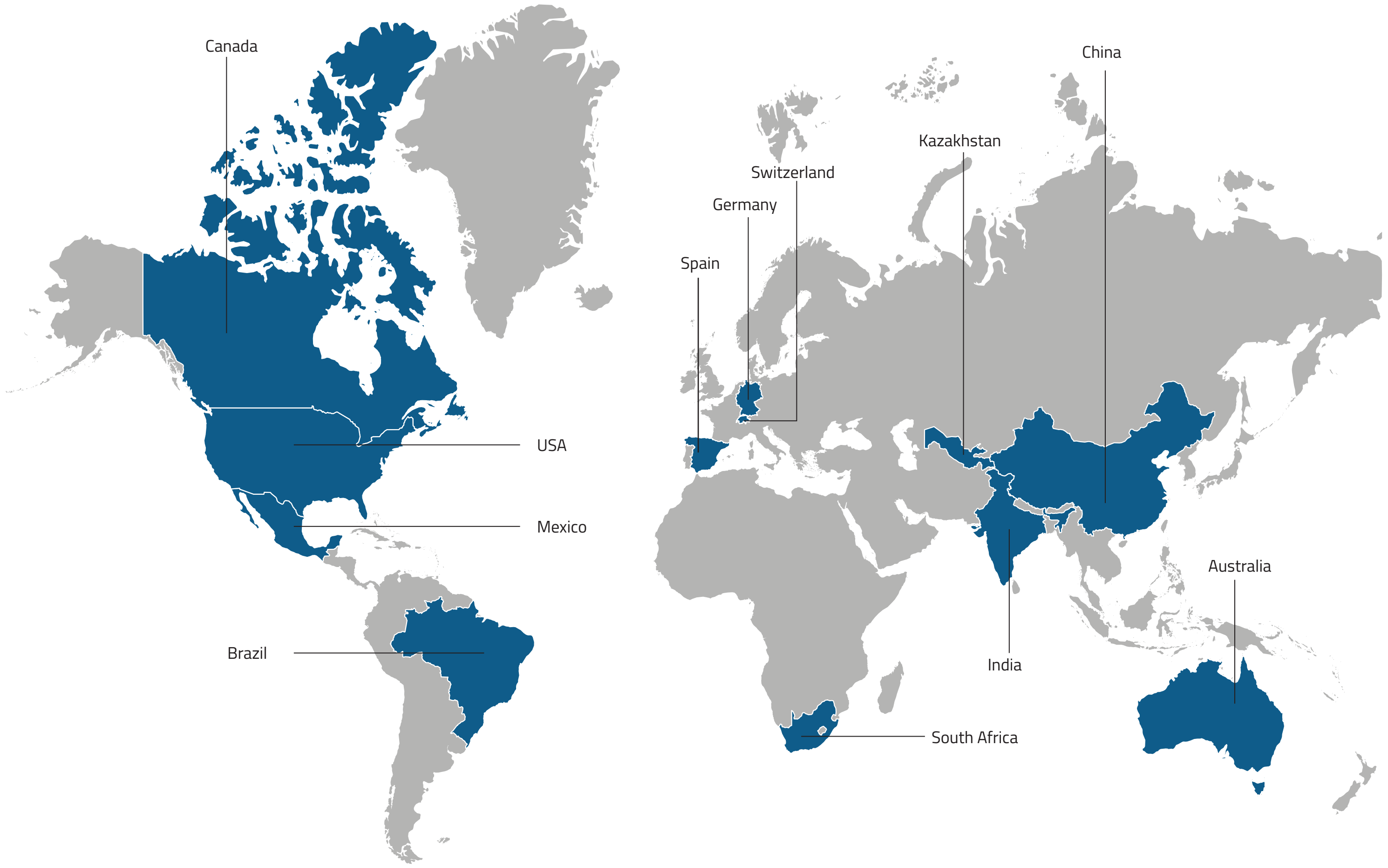


Across
11+ Countries
Export Presence

Across
6 Countries
Global Footprint

43%
Export Revenue Growth
[2022-23 to 2025-26]

Global Presence

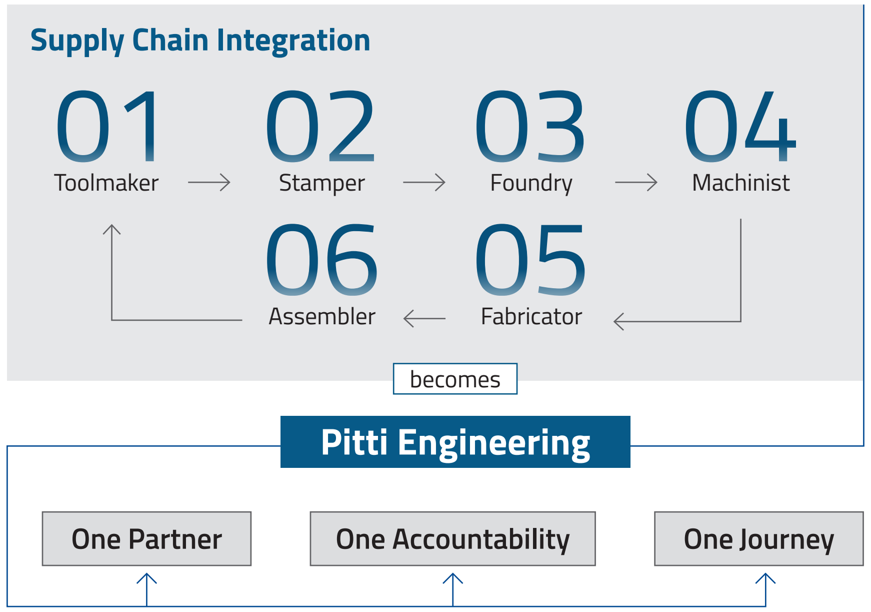


Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.

One Partner. Simplified Customer Journeys.

As global supply chains become more complex, OEMs are seeking fewer manufacturing partners with broader engineering capabilities. Our vertically integrated manufacturing platform brings critical capabilities together under one roof, transforming fragmented supplier networks into a seamless manufacturing partnership. Built on four decades of engineering excellence, we help customers simplify sourcing and reduce execution risk.

Supply Chain Integration



How a Customer Grows with Us

The strongest engineering partnerships are built over time. They begin with a single component, grow through consistent execution and ultimately evolve into long-term collaborations across multiple products, locations, and geographies.

That journey lies at the heart of the Company's business model. Relationships that began with a single product two decades ago now span multiple plants, product verticals, and continents – a progression recognised through successive supplier excellence awards.

STAGE 1

Qualify

Extended cycles of rigorous sampling, audit and validation earn entry into an OEM's approved supply chain. The barrier is high by design; it is also why relationships, once formed, endure across product lifecycles.

STAGE 2

Deliver

Supply typically begins with a defined scope, often loose laminations or a single machined part, where consistent quality, reliability and delivery are demonstrated order after order.

STAGE 3

Expand

Consistent performance earns greater responsibility. Customers progressively consolidate adjacent processes with us: laminations become welded cores, castings evolve to machined components, individual components arrive as assemblies.

STAGE 4

Integrate

The partnership reaches its highest level when customers engage us as an integrated engineering partner. We participate early in new platform development and provide the demand visibility that supports long-term capacity expansion and integration.

Trusted by Global OEMs

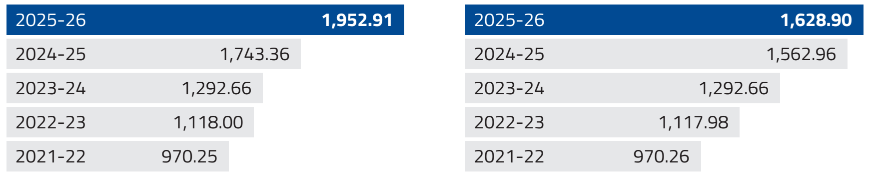
Our customer-first model has earned the confidence of leading OEMs across transport, power, industrial, renewable energy, and infrastructure markets.

ABB
Allison Transmission
ALSTOM
ANDRITZ
atomberg
AVTEC
beml
BHEL
CATERPILLAR
Cummins
ELIN Motoren
HENDRICKSON
INDIAN RAILWAYS
Ingeteam
INNOMOTICS
IPS
JE
L&T MHP
Lucas TVS
Nidec
RAMME
RegalRexnord
SAINI
SCHWING Stetter
SIEMENS
SIEMENS energy
SIEMENS Gamesa
SKF
StanleyBlack&Decker
SUZLON
TATA
TMEIC
TITAGARH
varroc
VOITH
Wabtec
WEG
wilo
WOLONG
xylem

Disciplined Execution. Compounding Progress.

This year's performance reflected the resilience of our operating model. Despite a challenging operating environment and the conscious decision to maintain higher inventory levels to safeguard customer commitments amid the electrical steel supply deficit, we delivered healthy operating margins, strong cash generation and a further reduction in leverage.

Total Income (in ₹ crores)



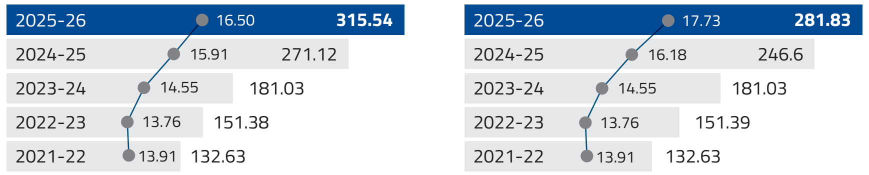
Consolidated

2025-26	1,952.91
2024-25	1,743.36
2023-24	1,292.66
2022-23	1,118.00
2021-22	970.25

Standalone

2025-26	1,628.90
2024-25	1,562.96
2023-24	1,292.66
2022-23	1,117.98
2021-22	970.26

EBITDA (in ₹ crores) and EBITDA Margin (in % —●—)



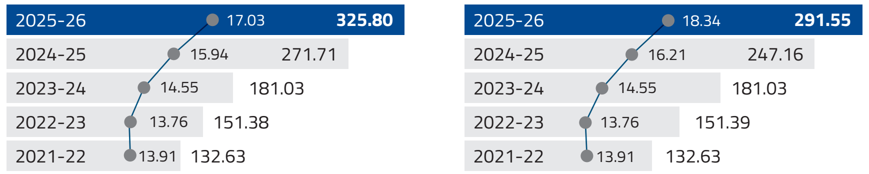
Consolidated

2025-26	16.50	315.54
2024-25	15.91	271.12
2023-24	14.55	181.03
2022-23	13.76	151.38
2021-22	13.91	132.63

Standalone

2025-26	17.73	281.83
2024-25	16.18	246.6
2023-24	14.55	181.03
2022-23	13.76	151.39
2021-22	13.91	132.63

Adjusted EBITDA (in ₹ crores) and Adjusted EBITDA Margin (in % —●—)



Consolidated

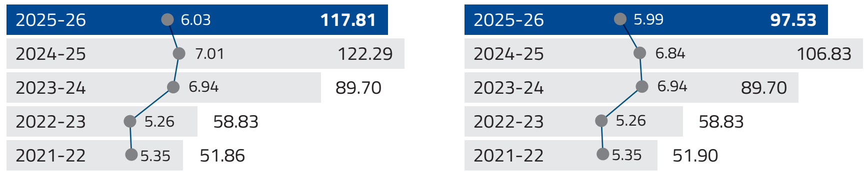
2025-26	17.03	325.80
2024-25	15.94	271.71
2023-24	14.55	181.03
2022-23	13.76	151.38
2021-22	13.91	132.63

Standalone

2025-26	18.34	291.55
2024-25	16.21	247.16
2023-24	14.55	181.03
2022-23	13.76	151.39
2021-22	13.91	132.63

Adjusted EBITDA excluding other income & ESOP Cost

PAT (in ₹ crores) and PAT Margin (in % —●—)



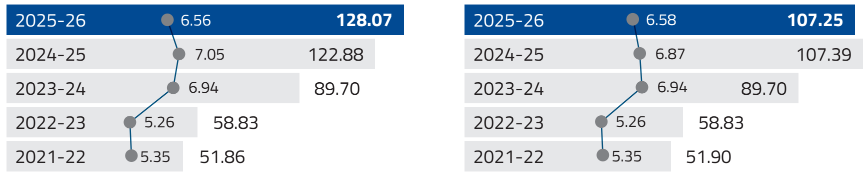
Consolidated

2025-26	6.03	117.81
2024-25	7.01	122.29
2023-24	6.94	89.70
2022-23	5.26	58.83
2021-22	5.35	51.86

Standalone

2025-26	5.99	97.53
2024-25	6.84	106.83
2023-24	6.94	89.70
2022-23	5.26	58.83
2021-22	5.35	51.90

Adjusted PAT (in ₹ crores) and Adjusted PAT Margin (in % —●—)



Consolidated

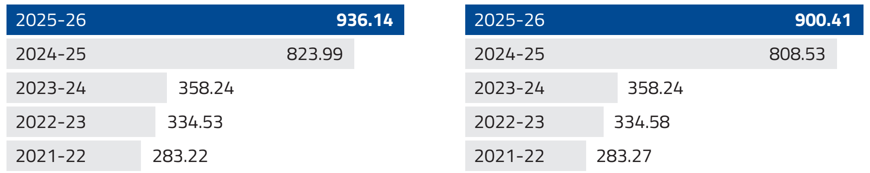
2025-26	6.56	128.07
2024-25	7.05	122.88
2023-24	6.94	89.70
2022-23	5.26	58.83
2021-22	5.35	51.86

Standalone

2025-26	6.58	107.25
2024-25	6.87	107.39
2023-24	6.94	89.70
2022-23	5.26	58.83
2021-22	5.35	51.90

Adjusted PAT post adding back ESOP cost

Net Worth (in ₹ crores)



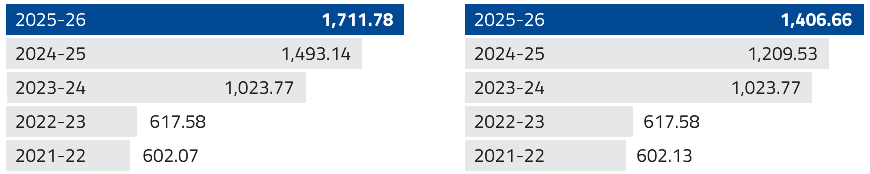
Consolidated

2025-26	936.14
2024-25	823.99
2023-24	358.24
2022-23	334.53
2021-22	283.22

Standalone

2025-26	900.41
2024-25	808.53
2023-24	358.24
2022-23	334.58
2021-22	283.27

Capital Employed (in ₹ crores)



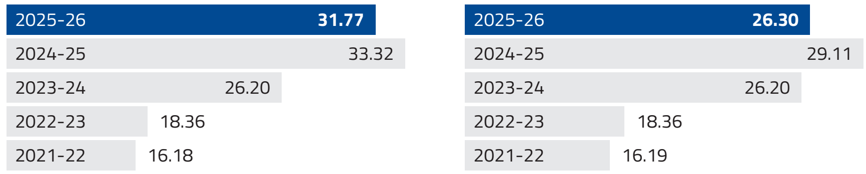
Consolidated

2025-26	1,711.78
2024-25	1,493.14
2023-24	1,023.77
2022-23	617.58
2021-22	602.07

Standalone

2025-26	1,406.66
2024-25	1,209.53
2023-24	1,023.77
2022-23	617.58
2021-22	602.13

EPS (in ₹)



Consolidated

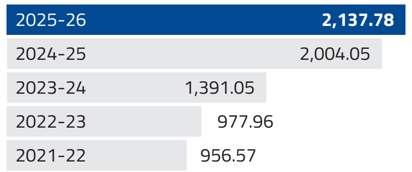
2025-26	31.77
2024-25	33.32
2023-24	26.20
2022-23	18.36
2021-22	16.18

Standalone

2025-26	26.30
2024-25	29.11
2023-24	26.20
2022-23	18.36
2021-22	16.19

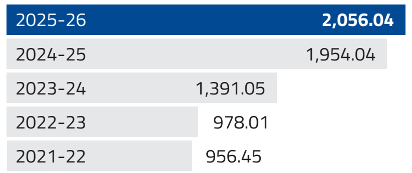
Total Assets (in ₹ crores)

Consolidated



2025-26	2,137.78
2024-25	2,004.05
2023-24	1,391.05
2022-23	977.96
2021-22	956.57

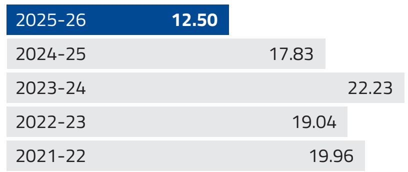
Standalone



2025-26	2,056.04
2024-25	1,954.04
2023-24	1,391.05
2022-23	978.01
2021-22	956.45

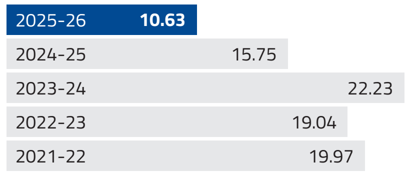
Return on Equity (in %)

Consolidated



2025-26	12.50
2024-25	17.83
2023-24	22.23
2022-23	19.04
2021-22	19.96

Standalone



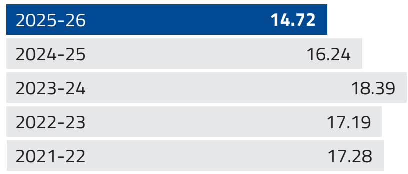
2025-26	10.63
2024-25	15.75
2023-24	22.23
2022-23	19.04
2021-22	19.97

Return on Capital Employed (in %)

Consolidated

2025-26	13.75
2024-25	16.07
2023-24	18.39
2022-23	17.19
2021-22	17.28

Standalone



2025-26	14.72
2024-25	16.24
2023-24	18.39
2022-23	17.19
2021-22	17.28

Responsible Growth.

Shared Value

As an engineering-led manufacturing company, we believe that responsible growth is built on the collective strength of its environmental stewardship, people, and the communities it serves. The Company integrates responsible business practices into its operations through disciplined processes, continuous improvement, and a long-term commitment to creating sustainable value. This approach reflects its focus on conducting business responsibly while contributing to the well-being of its stakeholders and the communities around its operations.

Environment

The Company continues to strengthen its environmental performance through responsible manufacturing practices that emphasise efficient resource utilisation, pollution prevention, and continuous improvement. Environmental management remains integrated into day-to-day operations through established systems and disciplined processes, with sustained focus on responsible energy use, water conservation, waste management, and circularity. The adoption of solar energy and afforestation initiatives further support the Company's commitment to reducing its environmental footprint while contributing to a more sustainable operating ecosystem.

Social

Our People

The Company remains committed to building a capable, engaged, and future-ready workforce by fostering technical excellence, continuous learning, and a performance-driven culture. Equal importance is placed on maintaining a safe, healthy, and inclusive workplace through proactive safety practices, regular training, preventive health initiatives, and strong operational discipline, ensuring that employee well-being remains integral to everyday operations.

Communities around Us

The Company also continues to create lasting value for the communities surrounding its operations through focused CSR initiatives and responsible business practices. Its programmes support education, healthcare, environmental sustainability, heritage conservation, animal welfare, and broader community well-being. Through its operations, the Company also contributes to local economic activity and community development.

Approach to Governance

The Company integrates responsible business practices into its governance framework through established systems, disciplined operational processes, and a commitment to regulatory compliance, ethical conduct and continuous improvement. It remains focused on strengthening accountability, transparency and long-term stakeholder value while ensuring that governance principles are embedded across its operations.

Guiding Progress. Inspiring Excellence.

Shri Sharad B Pitti
Founder & Chairman

A visionary entrepreneur with over four decades of industry experience, Shri Sharad B Pitti has played a pioneering role in developing India's electrical lamination manufacturing sector. His strategic leadership took the Company from a modest enterprise into a global leader recognised for quality, innovation, and operational excellence. He continues to guide our long-term strategic direction and growth.

C C

Shri Akshay S Pitti
Managing Director & Chief Executive Officer

With the Company since 2004, Shri Akshay S Pitti has led its transformation into a value-added engineering business through technology adoption, capacity expansion, and operational excellence. He has strengthened the Company's integrated manufacturing capabilities, expanded high-value product offerings, led strategic acquisitions, and established world-class manufacturing locations, sharpening our competitiveness in domestic and global markets.

M M M

Shri G Vijaya Kumar
Non-Executive Non-Independent Director

A seasoned legal professional with over four decades of experience, Shri G Vijaya Kumar has served as Government Counsel and represented state institutions, banks, insurance companies, and statutory bodies across multiple judicial forums. His legal expertise guides us on governance, regulatory, and compliance matters.

Shri Y B Sahgal
Non-Executive Independent Director

A mechanical engineer with over four decades of experience in engineering and manufacturing, Shri Y B Sahgal has held senior leadership roles across reputed organisations. Having previously served as our Executive Director, he brings deep technical expertise, operational insight, and extensive industry experience to the Board.

C M M M

Shri N Vinod Kumar
Non-Executive Independent Director

A Fellow Chartered Accountant with over three decades of experience across leading Central Public Sector Undertakings, Shri N Vinod Kumar brings extensive expertise in finance, accounting, audit, and corporate governance. His experience in financial planning, compliance, and strategic oversight strengthens the Company's governance framework.

M M M

Smt Kemisha Soni
Non-Executive Independent Director

A Chartered Accountant with more than two decades of experience, Smt Kemisha Soni specialises in audit, taxation, forensic accounting, risk management, and financial governance. As Managing Partner of GDK & Associates and a former Central Council Member of ICAI, she brings extensive expertise in financial reporting and governance.

C C M

Smt Priti Paras Savla
Non-Executive Independent Director

A Fellow Chartered Accountant with over two decades of experience in ESG, sustainability, corporate governance, audit, and risk management, Smt Priti Paras Savla serves as a Partner at K P B & Associates. She also chairs ICAI's Sustainability Reporting Standards Board and contributes to global sustainability initiatives through the International Sustainability Standards Board (ISSB).

C M

- ● Audit Committee
- ● Corporate Social Responsibility
- ● Nomination & Remuneration Committee
- ● Risk Management Committee
- ● Stakeholders' Relationship Committee
- ● Committee of Directors

Ⓒ Chairman Ⓜ Member

Performance Recognised. Trust Reinforced.

Growth Awards from GE Transportation (2007 and 2011)

Best Supplier Awards from GE Transportation (2012)

Best Supplier Awards– Quality, Lean and First from One GE (2015)

Best Supplier Awards from Wabtec Corporation (2019 and 2022)

Excellence in Development & Business Support Awards by ELIN WG (2023)

Best Supplier Delivery Award 2024 from TMEIC

Product Development Support Awards from Cummins Generators (2019)

Outstanding Performance in Quality Award from CG Power (2021)

Preferred Business Partner Award from TMIEC (2023)

Supplier Excellence Recognition from Caterpillar (2024)

EEPC Export Excellence Award, Large Enterprise for 2022-23

Fastest Growing Engineering Companies Award by Smart Manufacturing and Enterprise in 2024-25

Corporate Information

Board of Directors

Shri Sharad B Pitti
Founder & Chairman

Shri Akshay S Pitti
Managing Director &
Chief Executive Officer

Shri Y B Sahgal
Non-Executive Independent Director

Shri N Vinod Kumar
Non-Executive Independent Director

Smt Kemisha Soni
Non-Executive Independent Director

Smt Priti Paras Savla
Non-Executive Independent Director

Shri G Vijaya Kumar
Non-Executive Non-Independent Director

Chief Financial Officer

Shri M Pavan Kumar

Company Secretary & Chief Compliance Officer

Kum Mary Monica Braganza

Factories

Kothur, Telangana
Survey No. 1837 & 1838
Jingoniguda Road, Nandigaon,
Kothur, Rangareddy - 509 228

Nandigaon, Telangana
Survey No. 1603 & 1607,
Nandigaon Village, Kothur,
Rangareddy – 509 228

Macharam, Telangana
Survey No. 53, Balanagar Mandal, Macharam,
Mahabubnagar - 509 202

Chhatrapati Sambhajinagar, Maharashtra
Gut No. 194, 195, 183, 191, 182 (Part of), Limbe Jalgaon,
Gangapur, Chhatrapati Sambhajinagar - 431 133

Registrar and Transfer Agent

MUFG Intime India Private Limited
Unit: Pitti Engineering Limited
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West),
Mumbai - 400 083

Bankers

State Bank of India
Kotak Mahindra Bank Limited
Yes Bank Limited
SVC Co-Operative Bank Limited

Management Discussion and Analysis

Global Economy Overview

The global economy proved resilient through CY 2025-26, holding up against elevated trade barriers, persistent geopolitical tensions, and heightened policy uncertainty. Sustained corporate investments, technological advancements, and increasingly adaptive supply chains helped maintain economic activity, even as growth moderated across several major economies. Global inflation continued to ease as the lagging effects of strict monetary tightening during 2023-24 began to stabilise.

However, the escalation of the conflict in West Asia towards the end of February 2026 injected fresh uncertainty, and this situation continues to weigh on business sentiment. It has amplified existing macroeconomic risks – intensifying concerns around commodity price volatility, inflationary pressure, and tighter financial conditions. The resulting spikes in energy prices and localised supply chain disruptions have further strained global manufacturing and trade.

The International Monetary Fund's (IMF) World Economic Outlook (April 2026) projects global GDP growth slowing to 3.1% in 2026 from 3.4% in 2025, reflecting the compounding effect of these geopolitical shifts and evolving trade dynamics.

(Source: IMF World Economic Outlook (April 2026): Global Economy in the Shadow of War)

Trade policy remained a primary risk as major economies continued to recalibrate their tariff regimes. Rising protectionism threatens to disrupt global supply chains, inflate input costs, and restrict cross-border trade and investment flows. Over the longer term, a prolonged escalation of trade restrictions could deepen geoeconomic fragmentation and drag heavily on global growth.

Amid these headwinds, economic performance followed divergent trends across regions:

- **Advanced Economies:** Growth remained anchored primarily by resilient services sector activity, though manufacturing and trade-oriented sectors faced weaker momentum
- **Emerging Economies:** These markets continued to outpace developed nations, buoyed by robust domestic demand and strong local investment activity

This protectionist shift was most visible in the metals sector, where the US raised Section 232 tariffs on imported steel and aluminium to 50%. This move triggered a sharp realignment of global trade flows: rather than contracting overall volumes, it redirected exports towards alternative international markets. This was particularly evident within the metals sector, which kept global steel prices volatile. For electrical steel users, this volatility translated into wider quarter-on-quarter swings in input costs. This development underscores the strategic value of robust price pass-through arrangements and disciplined inventory management to mitigate margin risks.

(Source: The White House Official Fact Sheet on Section 232 tariffs, Global Trade Alert Policy Breakdown (April 2026 Restructuring) , European Commission Access2Markets Trade Barrier Tracker, Council on Foreign Relations (CFR) Visual Guide to Section 232 Realignment , White & Case International Trade Insight, April 2026)

From a geographic standpoint, the forward-looking demand trajectory exhibits a clear divergence:

- **MENA Region:** Structural diversification programmes and extensive public infrastructure pipelines continue to provide strong visibility for heavy industrial and engineering demand
- **Southeast Asia:** Accelerating manufacturing shifts and regional grid-modernisation initiatives are expected to remain key drivers of volume growth

(Source: IMF Middle East and Central Asia Economic Outlook, April 2026, The World Bank East Asia and Pacific Economic Update, S&P Global Corporate Credit Outlook, 2026)

Real GDP Projections (% Annual Change)

Region/Economy	2025	2026 P	2027 P
World Output	3.4	3.1	3.2
Advanced Economies	**1.9**	**1.8**	**1.7**
USA	2.1	2.3	2.1
Euro Area	1.4	1.1	1.2
Japan	1.2	0.7	0.6
United Kingdom	1.3	0.8	1.3
Other Advanced Economies	3.0	2.6	2.2
Emerging Market and Developing Economies	**4.4**	**3.9**	**4.2**
Emerging and Developing Asia	5.5	4.9	4.8
China	5.0	4.4	4.0
India	7.6	6.5	6.5
Russia	1.0	1.1	1.1
Brazil	2.3	1.9	2.0
Sub-Saharan Africa	4.5	4.3	4.4
Middle East and Central Asia	3.6	1.9	4.6

P: Projected

(Source: IMF World Economic Outlook, April 2026)

Outlook

The global economic outlook faces heightened uncertainty, with near-term industrial momentum dependent on the stabilisation of geopolitical tensions and trade policy frameworks. Evolving trade dynamics and straitened financial conditions are likely to influence corporate capital expenditures, potentially altering the pace of industrial investments and project execution across key end-user markets.

Even so, the medium-term outlook for global industrial activity remains constructive. Growth is expected to be backed by sustained public infrastructure investments, manufacturing capacity expansions, and ongoing technological advancements. As global trade routes and supply chains adapt, easing frictions are expected to anchor demand and reinforce the industrial recovery.

Indian Economy Overview

India proved notably resilient in 2025-26, powered by robust domestic demand even as global trade slowed. This growth drew on higher public capital expenditure, steady urban consumption, and a marked recovery in rural demand on the back of a strong rabi harvest. Spurred by these broad-based growth drivers and a revised base-year accounting framework, India's real GDP is estimated to have expanded by 7.6% in 2025-26, up from 7.1% in the previous fiscal, cementing its position among the world's fastest-growing major economies.

Real GDP Projections (% Annual Change)

Growth Projections

(Source: Press Information Bureau (PIB), India's GDP Growth for FY26, January 2026)

Outlook

India remains positioned as a primary driver of emerging-market growth over the medium term, sustained by infrastructure investments, structural reforms, rapid urbanisation, and deepening manufacturing capabilities. Backed by stable macroeconomic frameworks, the domestic economy is projected to reach nearly USD 7.3 trillion by 2029-30, establishing its position as the world's third-largest economy.

While core economic fundamentals remain strong, near-term inflation is expected to see temporary supply-side pressure in 2026-27 due to volatile global energy markets and weather-driven food price uncertainties. However, contained core inflation signals negligible demand-side risk. Reflecting this environment, the Reserve Bank of India (RBI) has maintained the policy repo rate at 5.50% with a neutral stance, preserving critical policy flexibility to support industrial momentum as global supply pressures stabilise. Concurrently, ongoing federal regulatory reforms, measures to enhance trade competitiveness, and initiatives targeting increased labour force participation continue to strengthen private capital formation, productivity, and India's long-term industrial output.

(Source: Press Information Bureau (PIB): India's Growth Story Strengthens, November 2025)

Industry Overview

Rotating Electrical Equipment Industry

Motors

Motors convert electrical energy into mechanical energy and are essential across industrial machinery, transportation, home appliances and energy systems, enabling the operation of a wide range of rotating equipment.

Types of Motors

Motor Type

- Permanent Magnet Synchronous Motors (PMSMs)
- Induction Motors
- Brushless DC Motors (BLDCs)
- Other Motor Types

Key Advantage

- High efficiency and torque density
- Reliable, versatile and widely used
- Compact, efficient and low maintenance
- Precision motion control for specialised needs

Typical Applications

- Electric vehicles, robotics, industrial automation, HVAC compressors
- Pumps, conveyors, HVAC systems, industrial machinery, household appliances
- Electric two-wheelers, fans, air conditioners, power tools
- Industrial automation, medical equipment, consumer electronics, instrumentation

Generators

Generators convert mechanical energy into electrical energy and are widely used in conventional power plants, renewable energy installations and backup power applications to ensure a reliable electricity supply.

Alternators

Alternators generate alternating current (AC) electricity by converting mechanical energy into electrical power. They are integral to diesel generator (DG) sets, automotive systems and wind turbines, supporting continuous and efficient power generation.

Key Components

Stator: The stationary component that generates the magnetic field and supports the motor or generator windings.

Rotor: The rotating component that converts electromagnetic energy into mechanical motion and transmits torque.

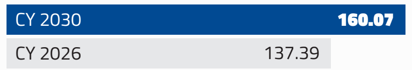
Electrical Laminations: Thin electrical steel sheets that minimise energy losses and improve magnetic efficiency.

Shaft: Transfers rotational motion and mechanical torque between the rotor and the driven equipment.

Housing (Stator Frame): Provides structural support, protects internal components and aids heat dissipation.

Global Electric Motor and Generator Market Size

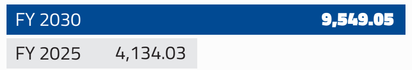
Market Size (USD billion)



(Source: Research and Markets - Electric Motor & Generator Market Report, January 2026)

Indian Electric Motor Market Size

Market Size (USD million)

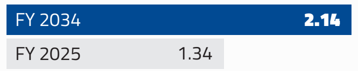


9.4%
CAGR

(Source: IMARC Group - India Electric Motor Market, 2025)

Indian Generator Market Size

Market Size (USD billion)



5.16%
CAGR

(Source: IMARC Group - India Generator Market, 2025)

Long-term Growth Drivers

Electrification

India's electric vehicle market is projected to expand from USD 3.71 billion in CY 2025 to USD 191.04 billion by CY 2034, driven by supportive government policies, rising consumer adoption and increasing investments. As electrification gathers pace across mobility segments, demand for high-efficiency motors, electrical laminations and precision-engineered components is expected to strengthen.

(Source: IBEF – EV Industry in India, February 2026)

Industrial Automation

Manufacturers are increasingly adopting automation and smart manufacturing technologies to improve operational efficiency. Reflecting this trend, the global smart manufacturing market reached USD 527.89 billion, creating sustained demand for advanced motors and precision-engineered components.

(Source: Research and Markets - Smart Manufacturing Market Report, February 2026)

Energy Efficiency

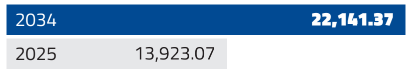
The focus on reducing energy consumption and meeting stricter efficiency standards is driving the replacement of conventional motors with high-efficiency alternatives. Industrial motor systems account for nearly 70% of global industrial electricity consumption, increasing demand for low-loss electrical laminations and energy-efficient rotating electrical equipment.

(Source: ABB Global - Understanding the 2027 DOE Motor Standards)

Metal Casting Industry

The Indian metal casting industry is expanding on the back of demand from railways, renewable energy and off-highway equipment manufacturing. Railway electrification and metro rail expansion are driving higher offtake of cast iron and steel components: motor housings, frames and end shields, for traction motor manufacturing. In wind energy, the shift towards higher-capacity turbines is increasing demand for large-format ductile (SG) iron castings, including hubs, nacelle housings and gearbox housings. The off-highway segment - construction, mining and agricultural equipment, continues to require grey iron, ductile iron and steel castings for engine blocks, transmission housings, axle housings and chassis components. Government-led infrastructure investment and domestic manufacturing initiatives are reinforcing this demand base, positioning precision-engineered castings as a critical input across India's transportation, energy and heavy engineering value chains.

Market Size (USD billion)



5.29%

CAGR

(Source: IMARC Group – India Metal Casting Market Report, 2025)

Key Industry Driver

Infrastructure and capital expenditure: Continued investments in railways, metro rail, roads, mining and power infrastructure are driving demand for precision-engineered castings used in transportation and heavy engineering equipment.

Renewable energy and industrial manufacturing: Expansion of wind energy, power generation and industrial machinery manufacturing is increasing demand for large, high-strength castings used in turbines, generators and rotating equipment.

'Make in India' and localisation: Government initiatives promoting domestic manufacturing, import substitution and global supply chain diversification are strengthening India's position as a preferred sourcing hub for high-quality engineering castings.

Machined Components Industry

Machined components are value-added engineered products manufactured from castings, forgings and rolled metal components through precision machining, heat treatment, grinding, coating and other specialised processes. They are designed for complex, safety-critical and high-precision applications across diverse industrial sectors.

Key Products

Shafts: Transmit torque and rotational motion across motors, gear systems and industrial equipment.

Pedestal Gearboxes and Gear Cases: Provide structural support and protection for gear assemblies while ensuring reliable power transmission.

Stator Frames: House and support the stator assembly, providing structural stability and efficient heat dissipation.

Cylinders and Cannon Tubes: Precision-machined structural components designed for high-strength industrial and heavy engineering applications.

Axle Boxes, Centre Pivots and Journal Boxes: Critical railway components that support wheelsets, absorb loads and ensure safe and reliable rail operations.

Flywheel Flanges and Module Endplates: High-precision components used in power transmission systems and hydrogen electrolyser applications, ensuring structural integrity and performance.

Key Industry Drivers

Increasing Localisation of Manufacturing

Government initiatives such as 'Make in India' and the PLI Scheme are accelerating domestic manufacturing and reducing import dependence. OEMs are increasingly sourcing machine components locally to strengthen supply chains, improve quality control and achieve shorter delivery timelines.

Rising Demand for Precision-Engineered Components

Growing investments in automotive, aerospace, industrial automation and electric mobility are driving demand for high-precision machine components. Manufacturers are adopting advanced CNC machining, automation and digital manufacturing technologies to meet stringent quality and performance requirements.

Adoption of Advanced Materials and Smart Manufacturing

The use of high-performance alloys and digitally integrated manufacturing processes is gaining momentum across the industry. Investments in CAD/CAM solutions, metrology systems and process automation are enabling manufacturers to enhance productivity, improve accuracy and deliver value-added engineering components.

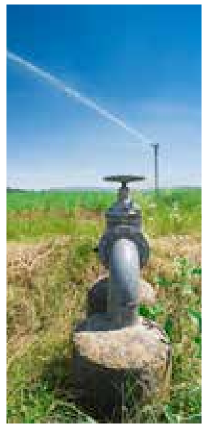
(Source: IMARC Group, India Machine Components market, 2026)

Sector-Specific Growth Drivers

Tractors and Pumps - Mechanising Rural India

Agricultural mechanisation, increasing rural credit availability, and government support continue to lift tractor demand, with additional pull from construction and rural infrastructure deployment. India's tractor market, at USD 9.39 billion in CY 2025, is projected to reach USD 16.80 billion by CY 2034, registering a 6.12% CAGR during the forecast period. On the pumps side, the Jal Jeevan Mission, urban sanitation programmes, and smart irrigation are widening demand. Additionally, the shift to energy-efficient and solar-powered pumping raises the specification and lamination content of each motor sold.

(Source: IMARC Group India Tractor Market Report, 2025)



Railways

The global rail transport market is projected to grow from USD 572.46 billion in 2025 to USD 607.84 billion in 2026, registering a CAGR of 6.2%, supported by investments in rail infrastructure, urban transit and freight corridors. India operates the world's fourth-largest railway network, with 99.6% of its broad-gauge network (69,873 route km) electrified and ₹2.78 Lakh crores allocated to Railways in the Union Budget 2026–27.

India's railway modernisation is driving sustained investments across rolling-stock procurement, locomotive production, Vande Bharat trainsets, metro rail systems, Dedicated Freight Corridors and seven High-Speed Rail Corridors. With Indian Railways operating close to 25,000 trains daily, the expanding rail ecosystem continues to support demand for traction motors, electrical laminations, machined components and precision-engineered assemblies used in modern rolling stock.

(Source: Research and Markets, Global Rail Transportation Market, January 2026
Angel One Macroeconomic Summary on Indian Railways Electrification, Press Information Bureau (PIB) India Portal, April 2026,
The Hindu Budget Report, February 2026)

Generators and Data Centres - Powering the Digital Build-Out

Rising global electricity demand, driven by rapid industrialisation and increased commercial activity, continues to support the expansion of the global generator market. Growing dependence on uninterrupted power across data centres, telecom towers, healthcare facilities and manufacturing plants is further driving demand for reliable and efficient generator sets. The global data centre market is expected to grow from USD 230.53 billion in 2025 to USD 506.09 billion by 2034, registering a CAGR of 9.13% between 2026 and 2034, driven by increasing data generation and technology adoption.

In India, operational data centre capacity is projected to reach 1.7 GW before CY 2027, while the domestic generator market is expected to expand significantly. Rising investments across data centres, healthcare and industrial infrastructure are supporting demand for high-efficiency generators, custom stators, rotors and rotating electrical equipment.

(Source: Global Market Insights, Generator Sets Market Report, January 2026
Research and Markets, Global Data Center Market Report, April 2026
IMARC Group, India Generator market, 2025, Angel One, Data centre capacity, January 2026,
Press Information Bureau (PIB) Delhi Report on Data Centre Expansion, March 2026)

Mining

The global oil and gas market is projected to grow from USD 8.33 trillion in 2025 to USD 8.75 trillion in 2026, at a CAGR of 5.0%, supported by industrialisation, transportation fuel demand, upstream exploration and petrochemical activity. In India, the market is expected to grow from USD 23.28 billion in CY 2025 to USD 24.42 billion, at a CAGR of 5.05%, driven by continued investments in refining, city gas distribution and upstream exploration.

(Source: Research and Markets, Oil & Gas Exploration & Production Market, January 2026
Mordor Intelligence, India Oil and Gas Market Report, 2025)

Renewable Energy - Electrifying the Supply Side

The global renewable energy market is undergoing a rapid transformation, driven by rising sustainability imperatives, strong policy support and continuous technological advancement. The sector is increasingly viewed as a core pillar of long-term decarbonisation and economic growth. In India, the renewable energy market is projected to reach USD 52.58 billion by CY 2034, supported by the target of 500 GW of non-fossil fuel capacity by CY 2030 and non-fossil installed capacity of around 275 GW by March CY 2026. Continued investments across solar, wind and other clean energy projects, including the national 30 GW offshore wind target, are expected to support demand for generators, motors, electrical laminations, machined assemblies and balance-of-plant equipment across the renewable energy ecosystem.

(Source: Research and Markets, Renewable Energy Market Global Forecast, November 2025
Press Information Bureau, MNRE Offshore Wind Declaration, June 2018
IMARC Group, India Renewable Energy market, 2026, Ministry of New and Renewable Energy, December 2024,
Press Information Bureau (PIB) India - MNRE Year-End Analysis Hub, 8 April 2026)

Home Appliances, Automotive and Industrial Applications

Demand across home appliances, automotive and industrial applications continues to firm, supported by rising consumer spending, increasing manufacturing activity, and sustained infrastructure investments. Widening adoption of energy-efficient appliances, expansion of the automotive industry, increasing industrial automation, and greater use of recycled materials are reshaping demand. Together, they are creating durable opportunities for precision-engineered components across varied end uses.

What this Means for the Company

The threads of this overview converge on a single point: Demand is shifting towards suppliers who can convert electrical steel into complete, precision-engineered assemblies at scale. The Company's integrated capabilities across lamination stamping, die-casting, machining and assembly - serving railways, generator OEMs, data centre power systems and industrial motor manufacturers, position the Company on the right side of each of these currents: the electrification of transport, the localisation of sourcing, the outsourcing of assemblies and the premium on precision.

Company Overview

Over four decades, we have evolved from a specialised electrical lamination manufacturer into India's largest manufacturer and exporter of electrical laminations and a vertically integrated engineering solutions provider. We offer electrical steel laminations, motor cores, die-cast rotors, machined castings, fabricated components and value-added assemblies for diverse industries, including railways, power generation, renewable energy, data centres, mining, oil & gas, industrial machinery and appliances.

Supported by six manufacturing locations across Telangana, Maharashtra and Karnataka, we combine integrated manufacturing capabilities, advanced automation and engineering expertise to deliver value-added solutions to more than 100 marquee OEMs across 11+ countries. During the year, the integration of Pitti Industries and Dakshin Foundry further strengthened our manufacturing platform, expanded our product portfolio and enhanced our ability to serve customers through a broader range of integrated engineering solutions. 2025-26 reflected our continued strategic progress, with total income of ₹1,628.90 crores, ongoing investments in manufacturing capacity and a sustained shift towards higher-value engineering products and assemblies.

Operational Highlights

Operational progress during 2025-26 was driven by consistent execution across the sheet metal, machining, and casting businesses, supported by integration of manufacturing and supply chain operations. Two developments stood out. We began commercial production on our newly approved revarnishing line, widening our value-added processing capabilities. We also secured a second alternator platform in the data centre segment, strengthening our presence in a fast-growing market and creating a recurring revenue opportunity.

Financial Performance (in ₹ crores)

Particulars	2025-26	2024-25	Y-o-Y Change
Revenue from Operations	1,590.01	1,524.55	4.29%
EBITDA	281.83	246.60	14.29%
PAT	97.53	106.83	(8.71%)

Particulars	2025-26	2024-25	Y-o-Y Change	Reason for variance more than 25%
Inventory Turnover (No. of Times)	4.68	5.08	(7.87%)	Not Applicable
Debtors' Turnover (No. of Times)	7.87	6.90	14.06%	
Interest Coverage Ratio (in Times)	3.48	3.88	(10.31%)	
Current Ratio (in Times)	1.33	1.17	(13.68%)	
Debt-to-Equity Ratio (in Times)	0.76	0.85	(10.59%)	
Operating Profit Margin (in %)	17.73	16.18	22.67%	
Net Profit Margin (in %)	6.13	7.01	(0.88%)	
Return on Equity (in %)	10.63	15.75	(5.12%)	
Debt Service Coverage Ratio (in Times)	2.02	2.41	(16.18%)	
Trade Payables Turnover Ratio (in Times)	5.25	5.31	(1.13%)	

The figures are reported on a standalone basis

The Next Phase of Growth

Our investment programme now moves to the foreground. The ongoing ₹150 crores expansion and the planned ₹290 crores capex are expected to materially strengthen lamination, casting and machining capabilities. This, in turn, will support higher volumes and improved operating efficiencies. Alongside capacity, the strategic emphasis stays on mix: a steady shift from standalone laminations to integrated assemblies and complex engineered components, which brings both margin and customer retention.

Demand visibility across key end markets remains encouraging: railways, data centres, renewable energy, and domestic mining, with growing export opportunities across USA, Mexico, and other international markets. We continue to weigh geographical expansion, particularly in North India, and adjacent capabilities such as forging that would extend our integrated value chain further. A diversified portfolio, expanding customer relationships, and prudent capital allocation underpin our confidence in sustainable, profitable long-term growth.

Risk Management

We follow a robust enterprise risk management framework to identify, assess, and mitigate risks before they impact business performance. Embedded across our organisation, the framework boosts supply chain resilience, reinforces financial discipline, and ensures operational continuity. It also enables us to respond effectively to evolving market and regulatory conditions.

Risk Category	Risk	Description	Mitigation Plan
Supply Chain and Procurement Risks	Raw Material Availability and Price Volatility	The availability and pricing of electrical steel, specialty steel, and other critical raw materials remain vulnerable to market fluctuations. Our dependence on imports for select grades may extend procurement lead times and increase our inventory requirements.	We follow a diversified sourcing strategy backed by long-term procurement arrangements, strategic inventory planning and continuous supplier engagement. In addition, SAP-enabled demand planning improves procurement visibility, supporting greater supply chain stability and uninterrupted operations.
	Logistics and Energy Supply Disruptions	Global logistics bottlenecks, shipping delays, and disruptions in energy supplies may affect our production schedules, export deliveries, and operating margins.	We continuously monitor our supply chain, evaluate alternative logistics routes and maintain proactive inventory management to ensure our operational continuity and timely customer deliveries.
Geopolitical and Trade Risks	Global Trade Policy Changes	Evolving international trade policies, tariff measures, and geopolitical developments can impact our export competitiveness, customer sourcing decisions, and logistics costs across our key markets.	We continue to diversify our export markets and customer base while maintaining close engagement with global customers to respond promptly to changing sourcing requirements and market conditions.
	Regional Geopolitical Uncertainty	Regional conflicts and regulatory developments may disrupt transport networks and the availability of critical raw materials, affecting our supply chain efficiency.	We closely monitor geopolitical developments, evaluate alternative sourcing and logistics options, and leverage our diversified manufacturing network to strengthen our business resilience.
Financial and Execution Risks	Capital Expansion and Working Capital	Large-scale capacity expansion programmes and working capital-intensive projects may increase our funding requirements and place pressure on our cash flows.	We follow a phased capital allocation strategy, supported by regular monitoring of expansion programmes, disciplined working capital management, and timely execution of capital projects.
	Foreign Exchange and Funding Risks	Foreign exchange rate volatility, borrowing costs, and the timing of government incentive receipts may impact our profitability and investment returns.	We adopt prudent treasury management practices, regularly reviews funding strategies, and focus on inventory optimisation to maintain our financial flexibility.
Market and Business Risks	Demand Cyclicality	Demand across our Company's end-user industries is linked to economic conditions, customer investment cycles, and sector-specific spending patterns, which cause periodic fluctuations in our business performance.	We maintain a diversified presence across railways, power generation, renewable energy, data centres, mining, and industrial applications, reducing our dependence on any single sector.
	Competitive Intensity and Market Expansion	Pricing pressures, evolving customer requirements, and limited presence in certain regional markets may affect our business growth. The pace of adoption across emerging applications also remains subject to changing market dynamics.	We continue to expand our portfolio of value-added engineering solutions, invest in new product development, deepen relationships with marquee customers, and broaden our geographical reach to support sustainable long-term growth.
Human Capital Risks	Talent and Workforce Availability	Our growth and operational performance depend on our ability to attract, develop and retain skilled talent across manufacturing, engineering and technical functions. Dependence on specialised skills and workforce integration following acquisitions may pose challenges to our business continuity and execution.	We continue to invest in structured training, on-the-job learning and leadership development programmes. A merit-based culture, employee engagement initiatives, succession planning and workforce planning support our talent retention and operational continuity.
Health, Safety and Environment Risks	Occupational Health and Safety	Manufacturing operations involve heavy machinery and industrial processes that may expose our employees to workplace health and safety risks. Non-compliance with applicable regulations could result in operational disruptions, financial liabilities and reputational impact.	We maintain a comprehensive occupational health and safety management system supported by standard operating procedures, safety training, emergency response drills and continuous monitoring. ISO 45001-certified systems and a strong safety culture help us minimise operational risks.
Technology and Information Security Risks	Information and Cybersecurity	Increasing digitalisation, automation and reliance on ERP systems and connected manufacturing technologies expose us to cybersecurity threats, system disruptions and information security risks. Any breach or prolonged outage could affect our business operations, customer confidence and data integrity.	We strengthen our information security framework through secure IT infrastructure, access controls, continuous system monitoring and cybersecurity protocols. ISO 27001-certified systems, periodic technology upgrades and employee awareness programmes support our business continuity and protect our critical information assets.
Sustainability and ESG Risks	Environmental, Social and Governance Compliance	Evolving environmental regulations, increasing customer sustainability expectations and expanding ESG disclosure requirements may influence our operating practices, compliance costs and business competitiveness. The transition towards lower-carbon manufacturing also presents implementation challenges for us.	We continue to strengthen our ESG framework through resource-efficient manufacturing, environmental management systems and responsible business practices. ISO 14001-certified systems, sustainable infrastructure investments and continuous regulatory monitoring support our long-term compliance and responsible growth.

Human Capital

Our people are key to our performance. Our Company's success is driven by their expertise, commitment, and dedication. As of 31st March 2026, our talent base stood at 1,982 employees. We invest in them on two fronts: capability and culture.

Merit-based progression, continuous learning, and structured skill development build the workforce; a safe, inclusive, and engaging workplace keeps it committed. Open communication, employee participation, and regular feedback strengthen collaboration, reinforce our shared values, and cultivate a shared sense of ownership across the organisation.

Industrial relations remained cordial throughout the year. During the year, two registered trade unions were formed at the Company's Chhatrapati Sambhajinagar manufacturing facility. As on the date of this Report, neither union has been recognised for collective bargaining.

Internal Controls and Governance Architecture

We have established a comprehensive internal control framework commensurate with the scale, nature and complexity of our operations. We periodically strengthen the framework in line with evolving regulatory requirements and leading governance practices to safeguard our assets, ensure the reliability of financial reporting, support operational efficiency and promote compliance with applicable laws and our internal policies.

An integrated Management Information System (MIS) across our key business functions enables effective monitoring and timely decision-making. Internal controls are embedded across our operational processes and are regularly reviewed through independent internal audits conducted by M/s. Laxminiwas & Co., Chartered Accountants. Our Audit Committee periodically reviews the adequacy and effectiveness of the internal control framework, monitors the implementation of audit recommendations and guides continuous improvement. In addition, our statutory auditors provide assurance on the adequacy and operating effectiveness of our internal financial controls over financial reporting.

Forward-Looking Statement

This Management Discussion and Analysis contains certain forward-looking statements that reflect the Company's current views, expectations, and strategic intentions. These statements are based on projections, estimates, and assumptions are inherently subject to risks and uncertainties that are beyond our control. As such, actual results could differ materially from those anticipated. We assume no obligation to publicly revise or update these statements in light of future developments. The risks presented herein are indicative and not exhaustive. Readers are advised to use their discretion when interpreting forward-looking elements and are encouraged to consider broader economic, geopolitical, and sectoral dynamics in their evaluation.

Directors' Report

Dear Members,

The Directors are pleased to present the 42nd Annual Report on the business and operations of the Company together with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March 2026.

BUSINESS OVERVIEW

The Company is engaged in the manufacture of high-precision engineering products primarily made from iron and steel. Its product portfolio includes electrical steel laminations, castings, die-cast rotors, sub-assemblies for motor and generator cores, as well as fully machined and fabricated components such as shafts.

The Company caters to a broad spectrum of industries by supplying its products to sectors including hydro and thermal power generation, wind energy, mining, cement, steel, sugar, construction, lift irrigation, freight and passenger railways, urban mass transit systems, e-mobility, consumer appliances, medical equipment, oil and gas, and various other industrial applications. The Company serves both domestic and international customers across a diverse range of industries.

FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March 2026 is summarised below:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	2025-26	**2024-25**	**2025-26**	**2024-25**
Net Revenue from Operations	1,59,001.01	1,52,454.81	1,91,280.36	1,70,456.71
Other Income	3,889.17	3,841.00	4,011.01	3,879.30
Total Income	**1,62,890.18**	**1,56,295.81**	**1,95,291.37**	**1,74,336.01**
Profit before Finance Costs, Depreciation, Amortisation and Tax	32,071.46	28,501.43	35,564.62	30,990.86
Less : Finance costs	8,284.61	6,759.32	8,340.50	6,779.03
Profit before Depreciation, Amortisation and Tax	23,786.85	21,742.11	27,224.12	24,211.83
Less : Depreciation & Amortisation	9,756.06	7,693.09	10,466.01	8,051.66
Profit before Tax	14,030.79	14,049.02	16,758.11	16,160.17
Less : Tax expenses	4,278.24	3,365.55	4,977.36	3,931.54
Profit after Tax	9,752.55	10,683.47	11,780.75	12,228.63
Add : Other comprehensive income	(156.04)	1.88	(112.27)	(60.84)
Total comprehensive income for the year	9,596.51	10,685.35	11,668.48	12,167.79
Add : Surplus at the beginning of the year	34,820.87	24,667.49	36,303.31	24,667.49
Less : Dividend	564.80	531.97	564.80	531.97
Less : Transfer to General reserve	-	-	-	-
Surplus carried to Balance sheet	43,852.58	34,820.87	47,406.99	36,303.31

OPERATING RESULTS AND BUSINESS

During the financial year ended 31st March 2026, the Company delivered a strong operational and financial performance, driven by sustained demand across its key product portfolio, continued focus on increasing the share of value-added products, enhancing operational efficiencies, and deepening customer relationships.

The Company reported standalone revenue from operations of ₹1,59,001.01 Lakhs, reflecting a growth of 4.29% over the previous year. Profit before Tax remained stable at ₹ 14,030.79 Lakhs. Profit after Tax stood at ₹9,752.55 Lakhs compared to ₹10,683.47 Lakhs in the previous year. Cash and cash equivalents and other bank balances at the year-end stood at ₹ 101.27 crores, resulting in a net debt position of ₹ 600.03 crores. The Company continued to maintain a conservative leverage profile, with a total debt-to-equity ratio of 0.76.

On a consolidated basis, revenue from operations grew by 12.22% to ₹1,91,280.36 Lakhs. Profit before Tax rose by 3.70% to ₹16,758.11 Lakhs, while Profit after Tax stood at ₹11,780.75 Lakhs compared to ₹12,228.63 Lakhs in the previous year. Cash and cash equivalents and other bank balances at the year end stood at ₹ 146.72 crores, net debt was at ₹ 554.57 crores and debt-to-equity ratio was 0.74.

As on 31st March 2026, the Company's consolidated installed manufacturing capacities stood at 90,000 MT of sheet metal, 7,20,000 machining hours, and 18,600 MT of castings.

Further, in line with its long-term growth strategy, the Company approved a greenfield expansion project to augment its casting and machined components manufacturing capacities. This strategic investment is expected to strengthen the Company's manufacturing capabilities and position it to capitalise on emerging growth opportunities across its key end-user industries.

Directors' Report (Contd.)

TRANSFER TO RESERVES

The Board of Directors have decided to retain the entire amount of profit under Retained Earnings. Accordingly, your Company has not transferred any amount to General Reserves for the year ended 31st March 2026.

SCHEME OF AMALGAMATION

The Board of Directors, at its meeting held on 5th February 2026, based on the recommendation of the Audit Committee, approved the Scheme of Amalgamation ("Scheme") under Sections 230 to 232 of the Companies Act, 2013, providing for the amalgamation of Pitti Industries Private Limited (formerly Bagadia Chaitra Industries Private Limited) ("PIPL") and Dakshin Foundry Private Limited ("DFPL"), both wholly owned subsidiaries of the Company, with Pitti Engineering Limited ("the Company"), along with their respective shareholders and creditors.

Rationale for the Scheme

The Scheme aims to consolidate the businesses of PIPL, DFPL and the Company to simplify the corporate structure, enhance operational efficiencies, achieve management and operational synergies, and optimise the utilisation of resources. The proposed amalgamation is not expected to have any material impact on the financial position or operations of the Company.

Consideration

As PIPL and DFPL are wholly owned subsidiaries of the Company, no shares or any other consideration shall be issued or paid by the Company pursuant to the Scheme. Accordingly, the Scheme will not result in any change in the issued, subscribed and paid-up share capital or the shareholding pattern of the Company.

Current Status

The Scheme is subject to the requisite statutory and regulatory approvals, including the sanction of the Hon'ble National Company Law Tribunal ("NCLT"). In terms of Regulation 37(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requirement to obtain a No Objection Letter from the Stock Exchange is not applicable.

A joint application under the relevant provisions of the Companies Act, 2013 was filed before the Hon'ble NCLT seeking dispensation of meetings of members and creditors. The Hon'ble NCLT, vide its Order dated 10th April 2026 has dispensed with the convening and holding of the meetings of the equity shareholders, secured creditors and unsecured creditors of PIPL, DFPL and the Company.

Thereafter, a second motion petition was filed before the Hon'ble NCLT on 23rd April 2026 seeking sanction of the Scheme. The matter is presently pending for hearing before the Hon'ble NCLT. Upon receipt of the requisite approvals, the Scheme shall become effective from the appointed date of 1st April 2026, in accordance with the terms of sanction.

The Scheme of Amalgamation and other related documents are available on the website of the Company at https://pitti.in/investors/corporate-actions/scheme-of-amalgamation---2026.

SHARE CAPITAL

During the year under review there has been no change in the authorised and paid-up share capital of the Company. The Company has not issued shares with differential voting rights, employee stock options and sweat equity shares.

DIVIDEND

The Board of Directors have recommended a final dividend of ₹ 2.50/- (50%) per fully paid equity share of ₹ 5/- for the financial year ended 31st March 2026. The record date for payment of dividend is Friday, 11th September 2026. The final dividend is subject to the approval of members at the ensuing 42nd AGM and will be paid within 30 days from the conclusion of the AGM. In accordance with the provisions of the Income-tax Act, 1961, the dividend shall be subject to deduction of income tax at source.

The dividend recommended is in accordance with the Dividend Distribution Policy of the Company. The said policy in terms of Regulation 43A of the SEBI Listing Regulations is available on the Company's website at https://www.pitti.in/api/investor-relation/download/Dividend%20distribution%20policy.pdf?id=148&disposition=inline

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on 31st March 2026, the Company had two wholly owned subsidiaries, namely Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited) ("PIPL") and Dakshin Foundry Private Limited ("DFPL"). PIPL is engaged in the manufacture of electrical steel laminations, assemblies, and die-cast rotors at its manufacturing facility located in Tumakuru, Karnataka. DFPL operates a manufacturing facility in Hosakote, Karnataka, where it produces high-quality castings in ductile iron, grey iron, low-carbon steel, alloy steel, and SIMO iron, in addition to providing value-added services such as pattern making.

During the year under review, the Board reviewed the performance and affairs of the subsidiaries, and there was no material change in the nature of their business. Pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the statement containing the salient features of the financial statements of the subsidiaries in Form AOC-1 forms part of the consolidated financial statements and hence not repeated here.

During the year under review, PIPL was a material unlisted subsidiary as per Regulation 16 of the SEBI Listing Regulations. The Company's Policy for Determining Material Subsidiaries is available on its website at https://pitti.in/api/investor-relation/download/Policy%20for%20Determining%20Material%20Subsidiary%20(Effective%20from%20April%201%2C%202019).pdf?id=152&disposition=inline

Directors' Report (Contd.)

The Company does not have any joint venture or associate companies.

CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial year ended 31st March 2026, forming part of this Annual Report, have been prepared in accordance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Indian Accounting Standards (IndAS) on Consolidated Financial Statements (IndAS-110) as notified by the Ministry of Corporate Affairs.

In accordance with Section 136 of the Companies Act, 2013 the financial statements of the subsidiary companies will be made available to the Company's members on request and kept for inspection during business hours at the Company's registered office. The statements are also available on the website of the Company https://pitti.in/investors/annual-reports/subsidiary.

MATERIAL CHANGES

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year 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 during the year.

PUBLIC DEPOSITS

During the year under review, the 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.

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 provide in Annexure-1 to this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

There are no proceeding pending under the Insolvency and Bankruptcy Code, 2016 and there are no instances of onetime settlement with any Bank or Financial Institution.

DIRECTOR'S & KEY MANAGERIAL PERSONNEL

During the year under review, Shri S Thiagarajan (DIN: 02721001) completed his second consecutive term as an Independent Director and ceased to be a Director of the Company with effect from 24th April 2025 upon completion of his tenure. The Board places on record its sincere appreciation for his valuable guidance and contributions during his tenure.

Further, Shri Gummalla Vijaya Kumar (DIN: 00780356) was appointed as a Non-Executive Non-Independent Director with effect from 5th February 2026. His appointment was approved by the Members through a Postal Ballot on 4th April 2026.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Shri Akshay S Pitti (DIN: 00078760), Managing Director & Chief Executive Officer, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. Details of his re-appointment are provided in the Notice convening the 42nd Annual General Meeting of the Company.

None of the Directors of the Company are disqualified from holding office under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, 2015. The certificate of non-disqualification of Directors pursuant to SEBI Listing Regulations is annexed to this Report.

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 (1) (b) of the SEBI Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. In the opinion of the Board, all Independent Directors are independent of the management.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs. Further all Independent Directors are exempted from the requirement to undertake online proficiency self-assessment test as required under the said rules. The Board is of the opinion that all directors, including those appointed or reappointed during the year, have the necessary qualifications, experience, and expertise, and uphold the highest standards of integrity.

The following are the Key Managerial Personnel of the Company as on the date of this report.

Shri Sharad B Pitti, Founder & Chairman, Shri Akshay S Pitti, Managing Director & Chief Executive Officer, Shri M Pavan Kumar, Chief Financial Officer and Kum Mary Monica Braganza, Company Secretary & Chief Compliance Officer.

Directors' Report (Contd.)

MEETINGS OF THE BOARD

Four 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 Board committees, 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 the SEBI Listing Regulations, the Board carried out the annual performance evaluation of the Board, its Committees and the Individual Directors. The performance of the Independent Directors was evaluated by the entire Board, excluding the Director being evaluated, while the performance of the Founder & Chairman and the Managing Director & Chief Executive Officer and Non-Executive, Non-Independent Director was evaluated by the Independent Directors. The evaluation was conducted through structured questionnaires covering various aspects of the functioning of the Board, its Committees and Individual Directors, based on the criteria approved by the Nomination and Remuneration Committee.

Based on the evaluation, the Board was satisfied that it, along with its Committees and Individual Directors, continued to discharge their respective roles and responsibilities effectively. The evaluation reflected the Board's continued focus on strong governance practices, constructive engagement among members and a clear focus on long-term value creation for stakeholders. The Independent Directors expressed satisfaction with the Board's overall functioning and reaffirmed their confidence in its ability to guide the Company towards sustainable long-term growth, creating enduring value for all stakeholders.

REMUNERATION POLICY

The policy on remuneration and other matters provided in section 178 of the Companies Act, 2013 has been set out in the Corporate Governance report which forms an integral part of this report. The Remuneration policy is available on the website of the Company at https://www.pitti.in/api/investor-relation/download/Remuneration%20Policy%20(Effective%20from%20April%201%2C%202019).pdf?id=157&disposition=inline

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.

The statement containing particulars of the top ten employees and those drawing remuneration in excess of the limits prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. In accordance with the provisions of Section 136(1) of the Companies Act, 2013, the Annual Report is being circulated to members without this statement. The statement is available for inspection at the Registered Office of the Company during business hours on all working days. Any member interested in obtaining a copy of the same may write to the Company at shares@pitti.in

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the financial year ended 31st March 2026, 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 2026 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 the 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

The Company continues to view its employees as a key asset and remains committed to their development while aligning performance with business goals. Through regular training and development initiatives, performance-linked rewards, and employee welfare programmes, the Company seeks to enhance employee engagement while aligning individual performance with organisational objectives. Long-term wealth creation opportunities, including the Employee Stock Ownership Plan (ESOP), reinforce a culture of ownership, recognise performance, and support talent retention.

Directors' Report (Contd.)

Industrial relations remained cordial throughout the year. As on 31st March 2026, the Company had 1,982 employees on its rolls.

PREVENTION OF SEXUAL HARASSMENT

The Company has formulated a policy for the prevention of sexual harassment at the workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The policy aims to ensure a safe, respectful, and inclusive working environment by preventing and addressing any form of sexual harassment, while also outlining procedures for the resolution and redressal of complaints.

The Company is committed to upholding a workplace culture that fosters equality, dignity, and mutual respect, and maintains zero tolerance towards any violation of its Code of Conduct, including its sexual harassment policy. An Internal Complaints Committee has been duly constituted in compliance with the said Act. Details of complaints received / disposed during the year under review have been provided in Corporate Governance report.

COMPLIANCE WITH MATERNITY BENEFIT ACT, 1961

During the year under review the Company has complied with the applicable provisions relating to maternity benefits prescribed under the Maternity Benefit Act, 1961.

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 SEBI Listing Regulations and section 177 of the Companies Act, 2013 for stakeholders including 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: https://pitti.in/api/investor-relation/download/Whistle%20Blower%20Policy%20%20Vigil%20Mechanism%20Policy%20(Effective%20from%20April%201%2C%202019).pdf?id=159&disposition=inline

RISK MANAGEMENT

The Company has an established risk management framework for identifying, assessing, monitoring, and mitigating risks that may impact its business objectives. Risk management is integrated into the Company's governance and decision-making processes. In compliance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations the Company has adopted a Risk Management Policy and constituted a Risk Management Committee, details of which are provided in the Corporate Governance Report. The risk management framework is periodically reviewed by the Board and the Audit Committee. The major risks which may pose challenges are set out in the Management Discussion and Analysis which forms an integral part of this report.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) remains an important part of the Company's values and culture. During the year under review, the Company undertook various CSR initiatives in the areas of education, healthcare, and animal welfare, in accordance with the provisions of Section 135 of the Companies Act, 2013.

Pursuant to the provisions of Section 135(5) of the Companies Act, 2013, the Company was required to spend a minimum of ₹130.10 Lakhs towards CSR activities for financial year 2025–26 (being 2% of average net profits amounting to ₹191.62 Lakhs, less ₹61.52 Lakhs available for set-off from the previous year).

During the year, against the approved CSR budget of ₹574.26 Lakhs, the Company incurred CSR expenditure of ₹517.44 Lakhs, resulting in an excess spend of ₹387.34 Lakhs. This excess amount shall be set off against the CSR obligation for the next 3 financial years, commencing from financial year 2026–27, in accordance with the applicable provisions of the Act. Further an amount of ₹ 46.12 Lakhs was transferred to the CSR Unspent Account, and ₹10.69 Lakhs was recognised as an advance towards CSR expenditure and will be utilised for the approved projects during financial year 2026–27.

The Annual Report on CSR activities, as required under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, read with Sections 134(3) and 135(2) of the Companies Act, 2013, forms part of this Report and is annexed as Annexure–3.

The Company's CSR policy is available on its website at

https://pitti.in/api/investor-relation/download/CSR%20Policy%20(Effective%20from%20April%201%2C%202021).pdf?id=143&disposition=inline

The CSR Annual Action Plans are available on the Company's website. The CSR Committee confirms that the implementation and monitoring of the CSR Policy were carried out in compliance with the CSR objectives and policy of the Company.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as of 31st March 2026, are given in Notes to the standalone financial statements of the Company.

Directors' Report (Contd.)

RELATED PARTY TRANSACTIONS

The Company has been entering into transactions with related parties for its business purposes. All transactions entered with related parties during 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 SEBI Listing Regulations. The material related party transactions entered by the Company are made with the approval of the Members. 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 Company's policy on related party transactions is available on its website at https://pitti.in/api/investorrelation/download /Policy%20on%20Related%20Party%20Transaction%20(Effective%20from%20April% 201%2C%202022).pdf?id=156&disposition=inline.

PITTI ENGINEERING LIMITED EMPLOYEES STOCK OPTION SCHEME 2024

The shareholders of the Company approved the Pitti Engineering Limited Employees Stock Option Scheme 2024 ("Pitti ESOP Scheme 2024" or "Scheme") with the objective of attracting, retaining and motivating talented employees, aligning their interests with the long-term growth of the Company, and fostering employee ownership through wealth creation opportunities. Under the Scheme, vesting of stock options is linked to achievement of performance parameters, length of service, and such other criteria as may be determined by the Nomination and Remuneration Committee ("NRC") from time to time.

The Scheme is being implemented and administered through the trust route in accordance with the provisions of the Companies Act, 2013 and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB Regulations"). For this purpose, the Pitti Engineering Limited Employee Welfare Trust has been established and may acquire equity shares of the Company through secondary acquisition and/or subscribe to fresh issue of shares by the Company, in accordance with the provisions of the Scheme and applicable laws.

The NRC, at its meeting held on 13th March 2025, approved the first grant of 7,87,500 stock options under the Scheme at an exercise price of ₹ 736.72 per option. The grant was made to eligible employees of the Company and its subsidiaries out of the shareholder-approved limit of 13,00,000 stock options. The NRC also approved the creation of the ESOP pool through a combination of primary issuance and secondary acquisitions.

As on 31st March 2026, the Trust held 7,40,000 equity shares of the Company. The shareholding of the Trust is disclosed under the category of "Non-Promoter and Non-Public Shareholding" in the shareholding pattern of the Company, in accordance with applicable regulatory requirements.

The disclosures relating to the Scheme, including the details of stock options granted and other information required under the SEBI SBEB Regulations, are provided in **Annexure-5** to this Report. A certificate from the Secretarial Auditor confirming that the Scheme has been implemented in accordance with Regulation 13 of the SEBI SBEB Regulations is provided as **Annexure-6**.

The Scheme has been implemented in compliance with the provisions of the Companies Act, 2013 and the SEBI SBEB Regulations. The salient features of the Scheme and other prescribed disclosures are available on the Company's website at https://pitti.in/investors/corporate-actions/pittiesop-2024.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) and Section 134(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on 31st March 2026 is available on the website of the Company at https://www.pitti.in/api/investor-relation/download/DRAFT%20ANNUAL%20RETURN.pdf?id=1057&disposition=inline.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable secretarial standards. The same has also been confirmed by Secretarial Auditors of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

The Business Responsibility and Sustainability Report as stipulated under Regulation 34 (2)(f) of the SEBI Listing Regulations is applicable to the Company and the same forms an integral part of this Report.

CORPORATE GOVERNANCE REPORT

As per Regulation 34(3) read with Schedule V of the SEBI 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 (Contd.)

INTERNAL AUDIT AND INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has established an adequate internal financial control framework and effective internal control systems that are commensurate with the nature, size, and complexity of its operations. These controls are designed to ensure compliance with applicable laws and regulations, safeguard the Company's assets, enhance operational efficiency, and ensure the accuracy and reliability of financial reporting. The internal control systems are periodically reviewed and strengthened to address evolving business requirements and regulatory expectations. During the year under review, the internal audit function was carried out by M/s. Laxminiwas & Co., Chartered Accountants. The internal auditors conduct regular audits and submit their observations and recommendations to the Audit Committee for review. The Audit Committee continuously monitors and evaluates the adequacy and effectiveness of the Company's internal control and internal audit systems and provides guidance for further strengthening these mechanisms wherever necessary. The Company also has a sound Management Information System (MIS), which forms an integral part of its overall control and monitoring framework.

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 2026, which forms part to the Statutory Auditors Report.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors

In terms of Section 139 of the Companies Act, 2013 and the rules made thereunder Talati & Talati LLP, Chartered Accountants, (ICAI Firm Registration Number 110758W/ W100377) were appointed as Statutory Auditors of the Company for a term of five consecutive years to hold office from conclusion of 38th Annual General Meeting ("AGM") till the conclusion of the 43rd AGM of the Company.

The Statutory Auditors have confirmed that they continue to meet the eligibility criteria prescribed under the Companies Act, 2013 and are not disqualified from holding office as Statutory Auditors of the Company. The Audit Report on the standalone and consolidated financial statements for the financial year ended 31st March 2026 contains an unmodified opinion and does not include any qualification, reservation, adverse remark, or disclaimer. The notes to the financial statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments by the Board.

Cost Auditors

The Company is required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are maintained by the Company.

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 of the Company for the financial year 2026-27. The Cost Auditors have confirmed their eligibility and that they are not disqualified from holding such appointment under the applicable provisions of the Companies Act, 2013. 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 42nd AGM.

Secretarial Auditor

In accordance with Regulation 24A of the SEBI Listing Regulations, Shri Ajay Kishen, Practicing Company Secretary (FCS No: 6298 CP. No. 5146) was appointed as the Secretarial Auditor of the Company, for a term of 5 (five) consecutive financial years, commencing from the financial year 2025-26 to the financial year 2029-30, at the 41st AGM held on 26th September 2025.

The Secretarial Audit Report for the financial year ended 31st March 2026 is annexed as Annexure -7 to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. Shri Ajay Kishen has confirmed that he is not disqualified from continuing as the Secretarial Auditor of the Company.

Reporting of Frauds by Auditors

None of the Auditors of the Company has identified and reported any fraud as specified under the Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDIT REPORT OF MATERIAL UNLISTED SUBSIDIARY

As per Regulation 24A of the SEBI Listing Regulations, listed companies are required to attach the Secretarial Audit Report of their material unlisted subsidiaries to the Annual Report.

Directors' Report (Contd.)

Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited) ("PIPL") has been identified as material unlisted subsidiaries of the Company for the financial year 2025-26. Accordingly, the Secretarial Audit Report of PIPL is annexed as Annexure 8 to this report.

ACKNOWLEDGEMENT

The Board of Directors places on record its sincere appreciation for the continued trust and confidence reposed by the Company's shareholders, the valued partnership of its customers, and the commitment of its employees. The Board also expresses its gratitude to the Company's bankers, suppliers, business associates, and the communities in which it operates for their continued support and cooperation.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 14th May 2026

Sharad B Pitti
Founder & Chairman
DIN: 00078716

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

The Company continued to implement energy conservation initiatives through the adoption of high-efficiency LED lighting, VRF HVAC systems, energy-efficient pumps, insulated roofing, energy monitoring systems, and PLC-based automation. These initiatives improved energy efficiency, reduced power consumption, enhanced productivity, and minimized carbon emissions.

ii. Steps taken by the Company for utilising alternate sources of energy

The Company continued to utilise renewable energy through its solar power installations and promoted sustainable transportation by increasing the use of electric vehicles (23 Nos). These initiatives contributed to reducing dependence on conventional energy sources and lowering greenhouse gas emissions.

iii. Capital investment on energy conservation equipment.

The Company invested ₹ 664.42 Lakhs during the financial year towards energy-efficient equipment, renewable energy systems, automation, and other energy conservation initiatives.

B. Technology Absorption

i. Efforts made towards technology absorption

Nil

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

Nil

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : None

iv. The expenditure incurred on Research and Development: Nil

C. Foreign exchange earnings and outgo

Particulars	2025-26	2024-25
Foreign exchange earnings	50,080.76	48,949.85
CIF Value of imports	12,831.20	11,029.92
Expenditure in foreign currency	736.62	493.39

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 14th May 2026

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Annexure – 2

PARTICULARS OF REMUNERATION

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and percentage increase in the remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year

Name and Designation	Ratio of Remuneration to the median remuneration of the employees	Percentage increase in the remuneration
Shri Sharad B Pitti, Founder & Chairman	45.26 : 1	5.77%
Shri Akshay S Pitti, Managing Director & Chief Executive Officer	112.41 : 1	(9.38)%
Shri M Pavan Kumar, Chief Financial Officer	28.46 : 1	15.61%
Kumari Mary Monica Braganza, Company Secretary & Chief Compliance officer	21.61 : 1	17.35%

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

2. Percentage increase in the median remuneration of employees in the financial year was 17.03%.

3. Number of permanent employees on the rolls of the Company: There were 1,982 employees on the rolls as on 31st March 2026.

4. 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.

   During the financial year 2025–26, the average salary increase for employees, excluding managerial personnel, was 13.96%, while the overall remuneration of managerial personnel decreased by 5.49%. The remuneration of the Managing Director & Chief Executive Officer includes performance-linked components, such as bonus, incentives and commission, as recommended by the Nomination and Remuneration Committee and approved by the Board, in accordance with the Company's remuneration policy.

5. 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.

For and on behalf of the Board of Directors

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Place : Hyderabad
Date : 14th May 2026

Annexure – 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Pursuant to the Companies (Corporate Social Responsibility) Amendment Rules, 2022]

1. Brief outline on CSR Policy of the Company

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, protection of national heritage, art and culture, animal welfare, women empowerment, eradicating hunger, promoting health care and education.

2. Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Sharad B Pitti	Chairperson, Executive Director	3	2
2.	Shri Akshay S Pitti	Member, Executive Director	3	3
3.	Shri Y B Sahgal	Member, Independent, Non-Executive Director	3	3

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.

The weblinks are as follows:

Composition of CSR Committee

https://pitti.in/api/investor-relation/download/Board%20Committees.pdf?id=60&disposition=inline

CSR Policy

https://pitti.in/api/investor-relation/download/CSR%20Policy%20(Effective%20from%20April%201%2C%202021).pdf?id=143&disposition=inline

CSR Projects

https://www.pitti.in/api/investor-relation/download/CSR%20Annual%20Action%20Plan%20%E2%80%93%20FY%202025-26.pdf?id=1054&disposition=inline

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule(3) of rule 8, if applicable.

Not applicable. The Company does not have an average CSR obligation of ₹ 10 crores or more in the 3 immediately preceding financial years as specified in Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5.

		₹ in Lakhs
(a)	Average net profit of the Company as per sub-section (5) of section 135	9580.74
(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135	191.62
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years	-
(d)	Amount required to be set-off for the financial year, if any	61.52
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	130.10

Annexure – 3 (Contd.)

6.

		₹ in Lakhs
(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	517.44
(b)	Amount spent in Administrative Overheads	Nil
(c)	Amount spent on Impact Assessment, if applicable	Nil
(d)	Total amount spent for the Financial Year [(a)+(b)+(c)]	517.44
(e)	CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the Financial Year	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
517.44	46.12	13th April 2026	Pitti Engineering Limited – Unspent Corporate Social Responsibility Account	NIL	NIL

a) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	191.62
(ii)	Total amount spent for the Financial Year*	578.96
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	387.34
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	387.34

* Includes excess amount of ₹ 61.52 Lakhs spent in financial year 2024-25 and available for set off in financial year 2025-26

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance amount in unspent CSR account under sub-section (6) of section 135	Amount spent in the reporting financial year	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding financial years. Deficiency, if any	Amount Date of transfer
Nil							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

No

9. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per sub-section (5) of Section 135

Not applicable

Place : Hyderabad
Date : 14th May 2026

Sharad B Pitti
Founder & Chairman
Chairman – CSR Committee
DIN: 00078716

Akshay S Pitti
Managing Director & Chief Executive Officer
Member – CSR Committee
DIN: 00078760

Y B Sahgal
Independent Director
Member – CSR Committee
DIN:01622420

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 subsection (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 2026 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 2026 are given below:-

Name of the related party and nature of relationship	Nature of contracts / arrangements	Duration of the contract / arrangements / transactions and salient terms	Amount ₹ in Lakhs
Shri Sharad B Pitti Founder & Chairman (KMP)	Lease rentals paid for office and factory premises	Ongoing [Lease of Office premise for a period of 20 years from 1st April 2018, Plant II for a period of 10 years from 1st November 2016 and Plant IV for a period of 30 years from 1st November 2016. The lease rentals are at arm's length]	126.25
Smt Madhuri S Pitti Spouse of Shri Sharad B Pitti			225.76
Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited) Wholly Owned Subsidiary	Purchase and sale of goods & services	Ongoing [Purchase and sale of goods & services, property, plant & equipment at arm's length. Advance, if any as per terms of contract are adjusted against the invoice.]	5,490.69
	Rental Income	Ongoing [Sublease of office premise for the period from 11th November 2025 to 10th October 2026. The lease rentals are at arm's length]	0.75
	Rental Deposit		0.16
	Interest Income on Inter corporate deposits	Ongoing [Sanction of unsecured loan/borrowings /advances on such terms and conditions as may be agreed, with the rate of interest in compliance with section 186 of the Companies Act, 2013]	107.49
	Inter corporate deposits given		16,885.00
	Inter corporate deposits received back		15,265.00
Dakshin Foundry Private Limited Wholly Owned Subsidiary	Purchase and Sale of goods & services	Ongoing [Purchase and sale of goods & services at arm's length. Advance, if any as per terms of contract are adjusted against the invoice.]	567.50
	Rental Income	Ongoing [Sublease of office premise for the period from 10th November 2025 to 9th October 2026. The lease rentals are at arm's length]	0.75
	Rental Deposit		0.16
Pitti Electrical Equipment Private Limited Entity having significant influence over the entity	Purchase and Sale of goods & services	Ongoing [Purchase of goods & services at arm's length. Advance, if any as per terms of contract are adjusted against the invoice.]	426.78

Annexure – 4 (Contd.)

Name of the related party and nature of relationship	Nature of contracts / arrangements	Duration of the contract / arrangements / transactions and salient terms	Amount ₹ in Lakhs
Pitti Trade and Investment Private Limited Enterprise over which KMP or relative of KMP having significant Influence	Purchase and Sale of goods & services	Ongoing [Purchase of goods & services at arm's length. Advance, if any as per terms of contract are adjusted against the invoice.]	256.09
	Rental Income	Ongoing [Sublease of office premise for a period of 19 years from 21st June 2019.The lease rentals are at arm's length]	1.91
Smt Radhika A Pitti Spouse of Shri Akshay S Pitti	Remuneration	Ongoing [As per terms of employment]	15.68

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 14th May 2026

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Annexure – 5

DISCLOSURE IN RELATION TO PITTI ENGINEERING LIMITED EMPLOYEE STOCK OPTION SCHEME 2024

[Pursuant to Regulation 14 read with Part F of Schedule I of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

As on 31st March 2026, the Company has the following Scheme:

Pitti Engineering Limited Employee Stock Option Scheme 2024.

Accordingly, the disclosures pertaining to stock options granted by the Company under the aforesaid Scheme and as required under the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are provided herein below and also available on the website of the Company at https://pitti.in/investors/corporate-actions/pittiesop-2024

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:

Disclosures relating to share-based payment arrangements have been provided in Note 24.4 (C) of both the standalone and consolidated financial statements, in compliance with section 133 of the Companies Act, 2013 including the requirements of Indian Accounting Standard (Ind AS) 102 – Share-Based Payment.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time:

Disclosures relating to Diluted EPS have been provided in Note 25.1 of both the standalone and consolidated financial statements, in compliance with section 133 of the Companies Act, 2013 including the requirements of Indian Accounting Standard (Ind AS) 33 – Earnings Per Share.

C. Details related to Pitti Engineering Limited Employee Stock Option Scheme 2024. ("Pitti ESOP Scheme 2024")

(i) General terms and conditions of Pitti ESOP Scheme 2024

a) Date of Shareholders' Approval

13th June 2024

b) Total number of options approved under Pitti ESOP Scheme 2024

13,00,000

c) Vesting requirements

The minimum vesting period for options shall not be less than 12 months from the date of grant, or as prescribed under the Companies Act, 2013 and SEBI SBEB Regulations.

A minimum of 25%, and up to a maximum of 50%, of the options may vest based on the satisfactory performance of the grantee, as determined solely by the Nomination and Remuneration Committee at the time of grant ("Performance-Linked Conditions").

The remaining options will vest over an 8-year period from the date of grant, with a cliff period of 2 years and vesting schedule as follows:

End of Year	% of Options Vested
Year 1	NIL
Year 2	NIL
Year 3	15%
Year 4	15%
Year 5	15%
Year 6	15%
Year 7	20%
Year 8	20%

Vesting may occur in one or more tranches, subject to the terms and conditions outlined in the Scheme.

d) Exercise price or pricing formula

The Exercise Price shall be decided by the Board or Nomination and Remuneration Committee as is allowed under the Companies Act, 2013 and SEBI SBEB Regulations.

The Nomination and Remuneration Committee have approved an Exercise Price of ₹ 736.72 for the first grant after considering a discount of 20% to the latest available closing price prevailing on the National Stock Exchange of India Limited, being the Stock Exchange, which recorded the highest trading volumes in the equity shares of the Company on Wednesday 12th March 2025, i.e., being the previous trading day immediately preceding the date on which the grant of options has been approved.

Annexure – 5 (Contd.)

e) Maximum term of options granted

The Option Grantee is entitled to Exercise the Options from the first date of vesting till the expiry of 5 years from the vesting of final tranche of the granted options.

f) Source of shares (primary, secondary or combination)

The Pitti ESOP Scheme 2024 envisages the source of shares either by way of issuance and allotment of equity shares by the Company or from the secondary market or by way of both, through Pitti Engineering Limited Employee Welfare Trust ("ESOP Trust").

g) Variation in terms of options

None

(ii) Method used to account for ESOP - Intrinsic or fair value

Fair Value Method

(iii) Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company

Not Applicable

(iv) Option movement during the year (For each ESOS):

Particulars	Details
Number of options outstanding at the beginning of the period	7,87,500
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	65,000
Number of options vested during the year	0
Number of options exercised during the year	0
Number of shares arising as a result of exercise of options	Not Applicable
Money realised by exercise of options (₹), if scheme is implemented directly by the Company	Not Applicable
Loan repaid by the Trust during the year from exercise price Received	Not Applicable
Number of options outstanding at the end of the year	7,22,500
Number of options exercisable at the end of the year	0

(v) Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

Weighted-average exercise price of options: ₹ 736.72

Weighted-average fair value of options: ₹ 662.29

(vi) Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

a) Senior Management Personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr. No.	Name	Designation	Number of options granted	Exercise Price of Options (in ₹)
1.	Shri Sandip Agarwala	COO-Motor & Generator Components Business	1,50,000	736.72
2.	Shri Rishab Gupta	Chief Operating Officer – Machined Components & Enterprise Sourcing	1,50,000	736.72
3.	Shri Chaitra Sundaresh	Deputy Chief Operating Officer	30,000	736.72
4.	Shri M Pavan Kumar	Chief Financial Officer	30,000	736.72
5.	Kum. Mary Monica Braganza	Company Secretary & Chief Compliance Officer	30,000	736.72

Annexure – 5 (Contd.)

b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

None

c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

None

(vii) Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

Fair value of share options was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair values are as below:

a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model.

Exercise Price	₹ 736.72
Share price at the grant date	₹ 920.90
Fair value of option granted	₹ 662.29
Expected life of the option	9.17 years
Risk free interest rate	6.86%
Expected volatility	51.57%
Dividend yield	0.20%

b) the method used and the assumptions made to incorporate the effects of expected early exercise.

Not applicable as there is no early exercise option

c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.

The volatility is determined based on the observed stock returns of the Company over a period equivalent to the expected life of the option from the respective grant date.

d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

Market price of the underlying share was also used in determining the fair value of option.

Disclosures in respect of grants made in three years prior to IPO under each ESOP

Not Applicable

D. Details related to ESPS

Not Applicable

E. Details related to SAR

Not Applicable

F. Details related to GEBS/RBS

Not Applicable

G. Details related to Trust:

i) General Information on all schemes

Sl. No.	Particulars	Details
1.	Name of the Trust	Pitti Engineering Limited Employee Welfare Trust
2.	Details of the Trustee(s)	Shri Bagi Thirumala Rao Reddy Shri Baditha Krishna Rao
3.	Amount of loan disbursed by company / any company in the group, during the year	₹ 3,301.19 Lakhs was given by the Company to Pitti Engineering Limited Employee Welfare Trust
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	₹ 7,301.40 Lakhs
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	None
6.	Any other contribution made to the Trust during the year	Nil

Annexure – 5 (Contd.)

ii) Brief details of the transactions in shares by the Trust

Number of shares held at the beginning of the year- 3,88,382*

*67,600 shares were credited to the account on 2nd April 2025 due to unforeseen trading holidays

Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share

Date	Mode of acquisition	% of paid-up equity capital as at the end of the previous financial year	No. of shares
12th August 2025	Secondary Acquisition	0.05%	20,598
13th August 2025		0.05%	19,872
14th August 2025		0.12%	44,546
18th August 2025		0.13%	50,000
20th August 2025		0.00%	997
11th September 2025		0.02%	6,838
12th September 2025		0.06%	21,757
15th September 2025		0.05%	17,813
16th September 2025		0.00%	522
26th September 2025		0.13%	48,993
12th November 2025		0.01%	3,329
13th November 2025		0.05%	18,669
17th November 2025		0.00%	1,196
18th November 2025		0.06%	22,000
19th November 2025		0.05%	20,000
20th November 2025		0.01%	5,610
24th November 2025		0.03%	10,000
25th November 2025		0.03%	10,000
27th November 2025		0.02%	7,483
28th November 2025		0.06%	21,395
Total		0.93%	3,51,618

Primary Issuance:	Nil
Weightage average cost of acquisition per share:	₹ 987.68
Number of shares transferred to the employees/sold along with the purpose thereof	Nil
Number of shares held at the end of the year	7,40,000

iii) In case of secondary acquisition of shares by the Trust

Sr. No.	Shares	In number	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
1.	Held at the beginning of the year	3,88,382*	1.21%
2.	Acquired during the year	3,51,618	1.10%
3.	Sold during the year	Nil	Nil
4.	Transferred to the employees during the year	Nil	Nil
5.	Held at the end of the year	7,40,000	2.31%

* 67,600 shares were credited to the account on 2nd April 2025 due to unforeseen trading holidays.

For and on behalf of the Board of Directors

Place : Hyderabad
Date : 14th May 2026

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Annexure – 6

COMPLIANCE CERTIFICATE

For the financial year ended on 31st March 2026

[Pursuant to Regulation 13 of the Securities and Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
Pitti Engineering Limited
Hyderabad

I Ajay Kishen, Practicing Company Secretary, acting as Secretarial Auditor of Pitti Engineering Limited (hereinafter referred to as 'the Company'), bearing CIN L29253TG1983PLC004141 and having its registered office at IV Floor, Padmaja Landmark, 6-3-648/401, Somajiguda, Hyderabad – 500082 have examined the relevant records and documents of the Company for the purpose of issuing this certificate under the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulation"), This certificate is issued for the financial year ended 31st March 2026.

Management Responsibility

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification

The Company has implemented the Pitti Engineering Limited Employee Stock Option Scheme 2024 (Pitti ESOP Scheme 2024/ Scheme) in accordance with the Regulations and the Special Resolutions passed by the members of the Company at the Extraordinary General Meeting held on 13th June 2024.

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Pitti ESOP Scheme 2024;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors;
4. Special resolution passed by Members for approval of Scheme;
5. Minutes of the meetings of the Nomination & Remuneration Committee;
6. Relevant Accounting Standards as prescribed by the Central Government;
7. Detailed terms and conditions of the Scheme as approved by Nomination & Remuneration Committee.
8. Exercise Price / Pricing formula;
9. Disclosure by the Board of Directors
10. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder;

Certification

In my opinion and to the best of my knowledge and according to the verifications as considered necessary and explanations furnished to me by the Company and its officers, I certify that the Company has implemented the Scheme in accordance with the Regulations and the Special Resolutions passed by the members.

Assumption & Limitation of Scope and Review

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. My responsibility is to give a certificate based upon my examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

Ajay Kishen
Practicing Company Secretary
M.No: 6298 CP:5146
UDIN: F006298H000362302
Peer Review Certificate No: 1759/2022

Place: Hyderabad
Date: 14th May 2026

Annexure – 7

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March 2026

[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
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 authorised 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 2026, 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 2026 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 Byelaws 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) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

  c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021;

  e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [Not applicable to the Company during the Audit period];

  f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

  g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [Not applicable to the Company during the Audit period];

  h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable to the Company during the Audit period];

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

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 Pollutions Rules, 1975
9. Industrial Disputes Act, 1947
10. The Air (Prevention and Control of Pollution) Act, 1981
11. The Environment (Protection) Act, 1986

Annexure – 7 (Contd.)

12. Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016,
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 and Listing Regulations.

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 during the audit period under review the Company had:

1. Changed the Registrar and Share Transfer Agent of the Company from XL Softech Systems Limited (SEBI Registration No.INR000000254) to MUFG Intime India Private Limited (SEBI Registration No.INR000004058) ("MUFG") w.e.f 30th December 2025.
2. Obtained the approval of the Board of Directors at their meeting held on 5th February 2026 for the Scheme of Amalgamation amongst Pitti Industries Private Limited (formerly Bagadia Chaitra Industries Private Limited) ("Amalgamating Company 1"), Dakshin Foundry Private Limited ("Amalgamating Company 2") and Pitti Engineering Limited ("Amalgamated Company").
3. Obtained the approval of the Board of Directors for the appointment of Shri Gummalla Vijaya Kumar (DIN: 00780356) as a Non-Executive, Non-Independent Director with effect from 5th February 2026. The said appointment was approved by the shareholders through postal ballot on 4th April 2026.

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 of the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Ajay Kishen
Practicing Company Secretary
M.No: 6298 CP:5146
UDIN: F006298H000362236
Peer Review Certificate No: 1759/2022

Place: Hyderabad
Date: 14th May 2026

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 – 7 (Contd.)

ANNEXURE A

To,
The Members,
Pitti Engineering 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
M.No: 6298 CP:5146

Place: Hyderabad
Date: 14th May 2026

Annexure – 8

SECRETARIAL AUDIT REPORT OF PITTI INDUSTRIES PRIVATE LIMITED (FORMERLY BAGADIA CHAITRA INDUSTRIES PRIVATE LIMITED) (UNLISTED MATERIAL UBSIDIARY)

Secretarial Audit Report for the financial year ended on 31st March 2026

[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 Industries Private Limited
[Formerly Bagadia Chaitra Industries Private Limited]
Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pitti Industries Private Limited (hereinafter called the Company) which is a material subsidiary company of a listed company i.e. Pitti Engineering Limited. 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 authorised 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 2026, 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 2026 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; [Not Applicable for the period under review]

(iii) The Depositories Act, 1996 and the Regulations and Byelaws 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; [Not Applicable for the period under review]

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

  a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; [Not Applicable for the period under review]

  b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; [Not Applicable for the period under review]

  c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not Applicable for the period under review]

  d) Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021; [Not Applicable for the period under review]

  e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; [Not Applicable for the period under review]

  f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

  g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [Not Applicable for the period under review]

  h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not Applicable for the period under review]

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

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

Annexure – 8 (Contd.)

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 and other Wastes (Management and Transboundary Movement) Rules, 2016
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 the Stock Exchanges [Not applicable as it is a private company].

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 and Key Managerial Personnel 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 during the audit period under review

1. The Registered Office of the Company was shifted from the State of Karnataka to the State of Telangana pursuant to the order dated 11th November 2025 issued by the Regional Director, South East Region. The order was duly filed with the Registrar of Companies, Telangana and a Certificate of Registration was subsequently issued by the Registrar of Companies on 17th December 2025.

2. The Board of Directors at their meeting held on 5th February 2026 approved the Scheme of Amalgamation between Pitti Industries Private Limited and Dakshin Foundry Private Limited with Pitti Engineering Limited.

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 of the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Ajay Kishen
Practicing Company Secretary
M.No: 6298 CP:5146
UDIN: F006298H000349850
Peer Review Certificate No: 1759/2022

Place: Hyderabad
Date: 13th May 2026

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 – 8 (Contd.)

ANNEXURE A

To,
The Members,
Pitti Industries Private Limited
[Formerly Bagadia Chaitra Industries Private Limited]
Telangana

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

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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
M.No: 6298 CP:5146

Place: Hyderabad
Date: 13th May 2026

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Company

S.No.	Particulars	Details
1.	Corporate Identity Number (CIN) of the Company	L29253TG1983PLC004141
2.	Name of the Company	Pitti Engineering Limited
3.	Year of Incorporation	17th September 1983
4.	Registered Office Address	6-3-648/401, IV Floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082
5.	Corporate Address	
6.	Email Address	shares@pitti.in
7.	Telephone	91 40-23312774/ 23312770
8.	Website	www.pitti.in
9.	Financial Year for which reporting is done	1st April 2025 to 31st March 2026
10.	Name of the Stock Exchanges where shares are listed	BSE Limited National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 1,882.68 Lakhs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri Sandip Agarwala COO – Motor & Generator Components Business Email: brsr@pitti.in Contact: 91 40-23312774/ 23312770
13.	Reporting boundary	Standalone
14.	Name of the Assessment or Assurance Provider	Not Applicable
15.	Type of Assessment or Assurance obtained	Not Applicable

II. Products / Services

16. Details of business activities

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover
1.	Manufacturing	Electrical laminations, sub-assemblies for motor cores and generators, die-cast rotors, castings and machining of metal components.	96.88

17. Products / Services sold by the Company

S.No.	Product / Service	NIC Code	% of total turnover contributed
1.	Electrical laminations and stampings	25910	59.53
2.	Machining of metal components	25920	21.38
3.	Casting	24109	3.18
4.	Others- Metal scrap, traded goods, and tools	3830, 46699, 28229	15.91

III. Operations

18. Number of locations where plants and / or operations / offices are situated:

Location	Number of plant locations	Number of offices	Total
National	4	1	5
International	NIL		

19. Markets served by the Company

a. Number of locations

Locations	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	11 Countries

b. What is the contribution of exports as a percentage of the total turnover of the Company?

31.89%

Business Responsibility & Sustainability Report (Contd.)

c. **Types of customers**

The Company serves Business to Business (B2B) customers. The Company specialises in the manufacturing of a wide range of products such as electrical steel laminations, motor cores, sub-assemblies, die rotors, press tools, castings and machining of metal components. These products cater to a broad spectrum of industries, including renewable energy, power generation, automotive, data centres, special purpose motors, and mining.

IV. Employees

20. Details as at 31st March 2026

a. **Employees and Workers (including differently abled):**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	1,070	1,045	97.66	25	2.34
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	**Total Employees (D + E)**	1,070	1,045	97.66	25	2.34
Workers						
4.	Permanent (F)	912	912	100	Nil	NIL
5.	Other than Permanent (G)	1931	1927	99.79	4	0.21
6.	**Total Workers (F + G)**	2843	2839	99.86	4	0.14

b. **Differently abled Employees and Workers:**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	Nil				
2.	Other than Permanent (E)					
3.	**Total Employees (D + E)**					
Workers						
4.	Permanent (F)	Nil				
5.	Other than Permanent (G)					
6.	**Total Workers (F + G)**					

21. Participation / Inclusion / Representation of Women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	28.57
Key Management Personnel	2	1	50

Note- Executive Directors who are KMP are included in the Board of Directors. The Chief Financial Officer and Company Secretary & Chief Compliance Officer are shown in KMP.

22. Turnover rate for Permanent Employees and Workers

	2025-26 (%)			2024-25 (%)			2023-24 (%)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	27.28	22.22	27.18	22.84	8.00	22.48	20.89	24.39	20.99
Permanent Workers	19.10	-	19.10	12.18	NA	12.18	16.40	NA	16.40

Business Responsibility & Sustainability Report (Contd.)

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Name of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited)	Wholly Owned Subsidiary	100	Yes
2.	Dakshin Foundry Private Limited	Wholly Owned Subsidiary	100	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 1,57,557.42 Lakhs

(iii) Net worth: ₹ 90,041.11 Lakhs

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/ No) (If yes, then provide web link for grievance redressal policy)	2025-26			2024-25		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities	Yes Refer link below	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)		Nil	Nil	NA	Nil	Nil	NA
Shareholders		1	Nil	NA	6	Nil	NA
Employees and workers		Nil	Nil	NA	Nil	Nil	NA
Customers		10	Nil	NA	17	Nil	NA
Value Chain Partners		Nil	Nil	NA	Nil	Nil	NA

Grievance Redressal.pdf

26. Overview of the Company's material responsible business conduct and sustainability issues pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Health and Safety	Risk	Occupational hazards may endanger the safety of our employees and communities around our manufacturing locations.	Increased automation, use of protective equipment, and a strong focus on safety-oriented operations helps to manage and improve health and safety outcomes while reducing workplace incidents.	Negative

Business Responsibility & Sustainability Report (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	ESG	Opportunity	Delivering on Environmental, Social and Governance commitments strengthens the Company's reputation with regulators, customers and investors, supporting stakeholder confidence and future business opportunities.	NA.	Positive
3.	Employee Retention and Talent Development	Risk	The Company requires employees of a special skill set. Given there are very few companies in this genre of business who operate around the Company's plants, retention is important.	Multiple learning and development programmes are implemented to upskill and reskill the workforce, supported by a robust system for attracting, developing, and retaining the right talent.	Negative
4.	Cybersecurity	Risk	Increased digitisation and automation expose the Company to new risks including data breaches, identity theft and other types of cybercrime. Any lapse could lead to legal, reputational and/or financial loss/implications.	Establishing strong cybersecurity systems to avoid any kind of data breach and safeguarding digital assets and individual data privacy.	Negative
5.	Regulatory Compliance	Risk	Failure to comply with relevant laws and regulations may result in legal and financial penalties.	Embedding strong ethical governance, transparency, and compliance monitoring within the organisation's risk culture and internal controls.	Negative
6.	Social Responsibility	Opportunity	Ensuring goodwill with local, and marginalised communities through community development.	NA	Positive

Business Responsibility & Sustainability Report (Contd.)

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The policies are approved either by the Board of Directors or by the Managing Director & Chief Executive Officer, depending on the nature of the policy and the applicable legal and regulatory requirements.								
a. Weblink of the policies, if available	The Corporate policies of the Company can be viewed at https://www.pitti.in/investors/corporate-governance#Policies other policies are available internally in the Company								
2. Whether the Company has translated the policy into procedures. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	ISO 14001-2015, ISO 9001-2015 ISO 45001, 50001, 27001 and 37001 certifications for facilities in Telangana (excluding Macharam and Nandigaon) Achieved LEED Platinum certification for Chhatrapati Sambhajinagar facility. Recognised by EcoVadis for sustainability performance with bronze medal rating.								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	a. Afforestation and Greenbelt Development The Company is committed to enhancing afforestation across its facilities to promote carbon sequestration. To support this objective, it adopts the Miyawaki plantation method, which facilitates rapid green cover development and creates self-sustaining, low-maintenance ecosystems. b. Shifting towards Eco-Friendly Transportation The Company aims to transition its fleet from fuel vehicles to electric vehicles. Electric vehicles, with their superior energy efficiency, offer a substantial reduction in carbon footprint and promote sustainable resource utilisation. c. Energy Management The Company aims to increase energy generation from renewable sources for all its manufacturing facilities and to support resource conservation.								

Business Responsibility & Sustainability Report (Contd.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	a. The Company successfully completed its afforestation project across its facilities, covering 7 acres at Chhatrapati Sambhajinagar and 1 acre at Hyderabad. Approximately 21,500 trees were planted at Chhatrapati Sambhajinagar and 14,200 trees at Hyderabad using the Miyawaki afforestation technique and conventional plantation methods. The resulting self-sustaining greenbelt contributes to carbon sequestration, local climate regulation, and biodiversity enhancement. Additionally, two bio-retention water ponds were installed at the Chhatrapati Sambhajinagar facility to support water conservation and ecosystem resilience. b. In line with its commitment to reducing direct emissions, the Company continued the electrification of its operational fleet, adding 23 electric vehicles (EVs) over the last four financial years, including 2 EVs during 2025-26. Further, during 2025-26, the Company deployed 6 battery-operated pallet trucks and 2 battery-operated trolley trucks across its manufacturing units to enhance energy-efficient material handling operations. These initiatives reflect the Company's continued progress towards cleaner mobility and lower-carbon logistics, with further expansion of the EV fleet planned based on operational requirements. c. The Company continued to advance its renewable energy objectives through the operation of a 1 MW solar power plant at its Chhatrapati Sambhajinagar facility, contributing to reduced dependence on conventional energy sources. While no additional solar capacity was commissioned during FY 2025-26, the Company remains focused on increasing the share of renewable energy in its overall energy mix, with plans to enhance capacity to 3 MW under evaluation.								

Governance, leadership and oversight

7. Statement by Director, responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements

ESG principles continue to be an integral part of our approach to responsible and sustainable growth. We remain focused on reducing our environmental footprint, ensuring a safe workplace, supporting our communities, and creating long-term value for stakeholders.

During the year, we continued to make progress on our environmental goals. Our 1 MW solar power plant at the Chhatrapati Sambhajinagar facility generated approximately 1,496.89 MWh of renewable electricity, resulting in an estimated reduction of 1,072 MTCO$_2$e emissions. We also completed our afforestation and greenbelt development project across 8 acres at our Chhatrapati Sambhajinagar and Hyderabad facilities. Through Miyawaki and conventional plantation methods, approximately 35,700 trees were planted, supporting carbon sequestration, biodiversity enhancement, and ecological balance.

As part of our efforts to reduce direct emissions, the Company has inducted 23 electric vehicles into its operational fleet over the last four financial years and deployed battery-operated material handling equipment across its manufacturing units to improve energy efficiency.

Our sustainability performance was recognised through the achievement of LEED Platinum Certification for the Chhatrapati Sambhajinagar facility and a Bronze Medal from EcoVadis.

The health and safety of our employees remains a key priority, and we are pleased to report zero workplace injuries during the reporting year, reflecting the effectiveness of our safety systems and practices.

Strong corporate governance remains the foundation of our business. We are committed to ethical business conduct, transparent decision-making, and regulatory compliance across all our operations. Our governance framework ensures clear oversight, accountability, and effective risk management, enabling us to conduct business responsibly and create long-term value for stakeholders.

Through our CSR initiatives, we continued to engage with local communities and support programmes that create meaningful and lasting impact.

Going forward, we will continue our efforts towards responsible and sustainable business operations.

Akshay S Pitti
Managing Director & Chief Executive Officer

Business Responsibility & Sustainability Report (Contd.)

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	Shri Akshay S Pitti (DIN 00078760), Managing Director & Chief Executive Officer, under the guidance of the Board of Directors and its Committees is responsible for implementation and oversight of the Business Responsibility policies.								
9.	**Does the Company have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes. The Risk Management Committee of the Company oversees the factors related to the Environment, Social and Governance aspects and provides adequate inputs to the Board of Directors. The Corporate Social Responsibility Committee oversees the social factors and provides necessary insights to the Board of Directors. For details on the Committees please refer to the Report on Corporate Governance in the Annual Report.								

10. Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review was undertaken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The policies of the Company are reviewed by Department Heads / Board Committees and Board of Directors wherever applicable									Reviewed at frequency stated in respective policies or on need basis.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The status of compliance with all applicable statutory requirements is reviewed by the Board.									Quarterly								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	Has the Company carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No. The policies and processes are subject to audits / reviews done internally in the Company from time to time.								

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P7
The Company does not consider the Principle material to its business (Yes/No)	No
The Company is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No
The Company does not have the financial or/human and technical resources available for the task (Yes/No)	No
It is planned to be done in the next financial year (Yes/No)	No
Any other reason (please specify)	There is no specific policy outlined for Principle 7. The Company through associations /institutions / trade and industry chambers strives to advocate and pursue various causes that are in the larger interest of the industry, economy, society and public.

Business Responsibility & Sustainability Report (Contd.)

SECTION C: PRINCPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

Essential Indicators:

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	4	The Board and KMP engage in awareness sessions pertaining to business, strategy, risk and regulatory training.	100
Key Managerial Personnel	4		
Employees other than Board of Directors and KMPs	181	The employees/ workers undergo various trainings /awareness sessions such as induction training at the time of joining and leadership, policy, safety, environment, social, governance, occupational health, mental health, soft skills, risk management, function specific technical and compliance training during the course of employment.	75.39
Workers			

2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the Company or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year (Note: The Company shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website):

Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

Non-Monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

S.No.	Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable		

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes, the Company has a policy for anti-bribery and corruption for all employees and is available internally. The Company has also adopted a Code of Conduct applicable to the Board of Directors and senior management personnel of the Company. The members of the Board of Directors and senior management personnel of the Company are required to affirm an annual compliance of this code.

Weblink: https://pitti.in/api/investor-relation/download/Code%20of%20Conduct.pdf?id=146&disposition=inline

Business Responsibility & Sustainability Report (Contd.)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	2025-26	2024-25
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	2025-26		2024-25	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured).

	2025-26	2024-25
Number of days of accounts payables	68	70

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties.

Parameter	Metrics	2025-26	2024-25
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	Nil	Nil
	b) Number of trading houses where purchases are made from	Nil	Nil
	c) Purchases from top 10 trading houses as % of total purchases from trading houses.	Nil	Nil
Concentration of Sales	a) Sales to dealers / distributors as % of total sales	Nil	Nil
	b) Number of dealers / distributors to whom sales are made	Nil	Nil
	c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a) Purchases (Purchases with related parties / Total Purchases)	0.94%	0.94%
	b) Sales (Sales to related parties / Total Sales)	3.47%	6.09%
	c) Loans & advances (Loan & advances given to related parties / Total loans & advances)	100%	100%
	d) Investments (Investments in related parties / Total Investments made)	99.97%	100%

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 2: BUSINESS SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

Essential Indicators:

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the Company, respectively.**

Segment	2025-26	2024-25	Details of improvements in environmental and social impacts
R & D	Nil	Nil	NA
Capex	3.26%	0.76%	The Company has undertaken investments in initiatives such as the installation of two bio-retention water ponds, electric vehicles, and energy-efficient LED lighting systems as part of its efforts to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions. These investments support improved energy efficiency, lower carbon emissions, and the adoption of sustainable technologies across its operations.

2. a. **Does the Company have procedures in place for sustainable sourcing? (Yes/No)**

Yes

b. **If yes, what percentage of inputs were sourced sustainably?**

88.29%

* Raw materials only considered

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

End of life procedures are currently not mandated for the Company as Extended Producer Responsibility is not applicable.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

PRINCIPLE 3: BUSINESS SHOULD RESPECT AND PROMOTE THE WELLBEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential indicators:

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1,045	1,045	100	1,045	100	NA	NA	Nil			
Female	25	25	100	25	100	25	100				
Total	1,070	1,070	100	1,070	100	25	100				
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Business Responsibility & Sustainability Report (Contd.)

b. **Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	912	912	100	912	100	NA	NA	Nil	Nil	Nil	Nil
Female	Nil	NA	NA	NA	NA	NA	NA				
Total	912	912	100	912	100	NA	NA				
Other than Permanent Workers											
Male	1927	1927	100	1927	100	NA	NA	Nil	Nil	Nil	Nil
Female	4	4	100	4	100	4	100				
Total	1931	1931	100	1931	100	4	100				

c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent)**

	2025-26	2024-25
Cost incurred on wellbeing measures as a % of total revenue of the Company	0.26	0.25

2. **Details of retirement benefits, for current and previous financial year.**

Benefits	2025-26			2024-25		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	98.80	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	13.08	76.68	Yes	16.82	82.37	Yes
NPS	1.59	Nil	Yes	1.50	Nil	Yes

Note: As per management decision, certain employees continue in service post-retirement; retirement benefits are not applicable to them, resulting in coverage falling marginally below 100% for PF.

3. **Accessibility of workplaces**

Are the premises/offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Yes

4. **Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. the Company is firmly committed to providing equal opportunities for all individuals. We are dedicated to ensuring that all job applicants and employees are treated fairly and without discrimination, regardless of gender, marital status, disability, race, colour, religion, age, sexual orientation, nationality, or ethnic/national origin. The policy is available internally within the Company.

5. **Return to work and retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	NA	NA	NA	NA
Female	100%	NA	NA	NA
Total	100%	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes
Other than permanent workers	The Company follows a structured three-stage Grievance Redressal mechanism, with a designated forum available at each stage to address concerns appropriately. For grievances related to sexual harassment, individuals may approach the Internal Complaints Committee. Additionally, the Company's Whistle Blower Policy provides a safe and confidential channel for reporting any illegal or unethical practices by writing to the dedicated email address.
Permanent employees	
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognised by the Company:

Category	2025-26			2024-25		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	1045	0	NA	1036	0	NA
Female	25	0	NA	28	0	NA
Total	**1070**	**0**	**NA**	**1064**	**0**	**NA**
Total Permanent Workers						
Male	912	436	47.81	951	0	NA
Female	Nil	Nil	NA	Nil	Nil	NA
Total	**912**	**436**	**47.81**	**951**	**0**	**NA**

During the year, two registered trade unions were formed at the Company's Chhatrapati Sambhajinagar manufacturing facility. As on the date of this Report, neither union has been recognised for collective bargaining.

8. Details of training given to employees and workers:

Category	2025-26					2024-25				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1045	703	67.27	562	53.78	1,036	642	61.97	202	19.50
Female	25	21	84.00	5	20.00	28	15	53.57	0	0.00
Total	1070	724	67.66	567	52.99	1,064	657	61.75	202	18.98
Workers										
Male	2839	2033	71.61	1308	46.07	951	907	95.37	455	47.84
Female	4	2	50.00	0	0.00	-	-	-	-	-
Total	2843	2035	71.58	1308	46.01	951	907	95.37	455	47.84

9. Details of performance and career development reviews of employees and workers:

Category	2025-26			2024-25		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1045	797	76.27	1,036	753	72.68
Female	25	21	84.00	28	21	75.00
Total	1070	818	76.45	1,064	774	72.74
Workers						
Male	912	806	88.38	951	830	87.28
Female	-	-	-	-	-	-
Total	912	806	88.38	951	830	87.28

10. Health and Safety Management System:

a. Whether an occupational health and safety management system has been implemented by the Company? (Yes/ No). If yes, the coverage such system?

The Company has established a comprehensive Workplace Health and Safety Management System designed to ensure a safe and compliant working environment. This system encompasses a wide range of safety components, including Environmental Health and Safety (EHS) plans and policies, work authorisation procedures, environmental monitoring, risk assessments, safety guidelines, detailed work instructions, on-site occupational health centre, firefighting equipment, and annual medical examinations. It also ensures compliance with legal standards, incorporates hazard identification protocols, safe work practices, preventive maintenance schedules, incident reporting systems, SOP management, provision of personal protective equipment (PPE), and regular safety committee meetings.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company?

The Company conducts planned safety drills to check how well its safety systems function and discover potential workplace risks that may develop during operations. The Company regularly communicates with on-site staff members to receive feedback and examine any safety hazards they have met or anticipate. The Company employs multiple systematic approaches to identify and evaluate workplace hazards and risks including:

- Hazard Identification and Risk Assessment (HIRA)
- Failure Modes and Effects Analysis (FMEA)
- Internal and External Audits
- Why-Why Analysis
- Work Permit System and
- A Near Miss Reporting System
- Additionally, work zone monitoring and noise assessment analysis are conducted to ensure safety in the workplace.

c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes.

d. Do the employees/ workers of the Company have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

11. Details of safety related incidents.

Safety Incident /Number	Category	2025-26	2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

Business Responsibility & Sustainability Report (Contd.)

12. Describe the measures taken by the Company to ensure a safe and healthy workplace.

The Company is committed to maintaining the highest standards of occupational health and safety. Our proactive approach to risk assessment, safety audits, and incident management ensures continuous improvement of our processes and the well-being of our employees. Following are some of the steps taken to ensure a safe and healthy workplace:

- To provide a safe and healthy workplace, all applicable statutory requirements are followed and monitored at all times.
- All employees and workers get training on a range of topics pertaining to health and safety, including health and safety induction programmes for workers, job-specific training on the use of PPES, training on identifying and understanding all work-related hazards and risks, and so on.
- Periodic medical check-ups and health awareness sessions are conducted to maintain a healthy workforce.
- There is a planned emergency response strategy, which involves recognising potential risks and taking apt measures to mitigate them.
- The Company has established a number of safety procedures and equipment to maintain a healthy and safe working environment, including:
  - Installing safety sensors and light curtains
  - Setting up safety fencing around all revolving machines
  - Installing fire alarms, hydrant, and smoke detector systems
  - Regular ambient air monitoring to maintain a safe workspace
  - Providing appropriate personal protective equipment (PPE) for job requirements
  - Availability of safety showers

These measures collectively contribute to maintaining a secure and protected working environment.

13. Number of Complaints on the following made by employees and workers:

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	Nil			Nil		
Health & Safety						

During the year, certain matters were filed before the labour court by employees and workmen of the Chhatrapati Sambhajinagar facility. The Company has filed its responses in accordance with the applicable legal process, and the matters are currently pending adjudication.

14. Assessment for the year:

	% of plants and offices that were assessed (by Company or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

There are no such instances of safety-related incidents / risks / concerns arising from assessments of health & safety practices and working conditions.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 4: BUSINESS SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

Essential indicators

1. Describe the processes for identifying key stakeholder groups of the Company.

The stakeholders are identified based on the significance of their impact on the business and value creation. The Company focuses on developing trust-based relationships and understanding the priorities of its stakeholders to foster shared value.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Email, Phone calls, SMS, Meetings, Notice Board, Training Programmes, festival and foundation day celebration, Intranet	Regular	Day to day activities/ Conduct of Business. Trainings, addressing concerns, innovation, operational efficiencies, health, safety and recreational activities.
Investors and Shareholders	No	Email, Website, Quarterly publication of results, Newspaper advertisements, Analysts/ Investor Calls, Annual General Meetings, Stock Exchange intimations	Annually/Half yearly/ Quarterly/ Event basis	Compliance, Governance Practices Update on business, financial, and operational results. Keeping communication channels open with shareholders and investor community helps to connect them with the Company.
Communities	Yes	Physical Meetings / Reviews/ Assessments	Event Based	CSR Programmes and other initiatives. Community involvement through Corporate Social Responsibility initiatives, responding to the needs and concerns of surrounding communities.
Customers and Value Chain Partners	No	Email, Meetings, Survey, Phone calls, Websites	Regular	Business / Project Related Product quality and availability, timely delivery and payments, ESG consideration. responsiveness to customer needs, customer satisfaction, customer surveys and feedback mechanisms.
Government and Regulatory Bodies	No	Filings and submissions, Engagement during visits to our facilities, Email and website	Event Based	Compliance with applicable laws and regulations Transparency, Disclosure, Compliance, Constructive engagement

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 5: BUSINESS SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:**

Category	2025-26			2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	1070	519	48.50	1064	296	27.82
Other than Permanent	Nil	0	0.00	Nil	NA	NA
Total Employees	1070	519	48.50	1064	296	27.82
Workers						
Permanent	912	454	49.78	951	376	39.54
Other than Permanent	1931	700	36.25	2344	776	33.11
Total Workers	2843	1154	40.59	3295	1152	34.96

2. **Details of minimum wages paid to employees and workers.**

Category	2025-26					2024-25				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1045	Nil	Nil	1045	100	1036	Nil	Nil	1036	100
Female	25	Nil	Nil	25	100	28	Nil	Nil	28	100
Other than Permanent										
Male	Nil					Nil				
Female										
Workers										
Permanent										
Male	912	Nil	Nil	912	100	951	Nil	Nil	951	100
Female	Nil	NA	NA	NA	NA	Nil	NA	NA	NA	NA
Other than Permanent										
Male	1927	Nil	Nil	1927	100	2338	Nil	Nil	2338	100
Female	4	Nil	Nil	4	100	6	Nil	Nil	6	100

3. **Details of remuneration/salary/wages:**

   a. **The details are provided below:**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (₹ in Lakhs)	Number	Median remuneration/ salary/ wages of respective category (₹ in Lakhs)
Board of Directors (BoD)1	2	313.55	Nil	NA
Key Managerial Personnel	1	108.00	1	82.00
Employees other than BoD and KMP	1042	5.02	24	7.24
Workers	912	3.39	Nil	NA

Note1: Median remuneration is calculated only for Executive Directors; Independent Directors receive sitting fees which is not included above.

Business Responsibility & Sustainability Report (Contd.)

   b. **Gross wages paid to females as % of total wages paid by the Company.**

	2025-26	2024-25
Gross wages paid to females as % of total wages	2.45	2.47

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Any grievances concerning violations of human rights should be reported through the Grievance Policy Mechanism implemented by the Company. We ensure that all grievances received are thoroughly investigated, and appropriate actions are taken to resolve the issue or complaint. In cases where necessary, disciplinary actions are initiated as deemed fit.

6. **Number of Complaints on the following made by employees and workers.**

	2025-26			2024-25		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil			Nil		
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other Human rights related issues						

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

	2025-26	2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Company has implemented Whistle Blower Mechanism where any discrimination and harassment cases can be directly brought to the notice of the Audit Committee. The Company also ensures protection against discrimination for employees who make disclosures or raise concerns under Grievance Redressal Mechanism. The POSH policy ensures that the complainant, anyone assisting the complainant, and anyone investigating into the complaint are not subjected to any adverse consequences.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes

10. **Assessment for the year**

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	100
Forced Labour/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Other- please specify	

11. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

   No such significant risks / concerns were identified by the Company.

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 6: BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT.

Essential indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity.**

Parameter	2025-26	2024-25
From renewable sources		
Total electricity consumption (A)(Giga joules)	5,388.80	4,911.00
Total fuel consumption (B) (Giga joules)	-	-
Energy consumption through other sources (C) (Giga joules)	-	-
Total energy consumed from renewable sources (A+B+C)	5,388.80	4,911.00
From non-renewable sources		
Total electricity consumption (D) (Giga joules)	1,29,365.60	1,23,174.54
Total fuel consumption (E) (Giga joules)*	45,074.51	76,459.28
Energy consumption through other sources (Giga joules) (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,74,440.11	199,633.28
Total energy consumed (A+B+C+D+E+F)	1,79,828.91	2,04,544.28
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)(GJ/₹ in crores)	114.14	135.29
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	2,321.57	2,795.13
Energy intensity in terms of physical Output (GJ/Output in MT)	2.95	3.54
Energy intensity (optional) – the relevant metric may be selected by the Company	-	-

*Note: Fuel consumption figures for 2024-25 have been restated to include all fuel types, previous disclosures covered only fuel used for energy generation.

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. **Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Provide details of the following disclosures related to water.**

Parameter	2025-26	2024-25
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	34,303.03	27,632.35
(iii) Third party water	9,209.56	9,133.46
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	43,512.59	36,765.81
Total volume of water consumption (in kilolitres)	43,512.59	36,765.81
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	27.62	24.32
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	561.73	502.45
Water intensity in terms of physical Output (Consumption in KL/Output in MT)	0.71	0.64
Water intensity (optional) – the relevant metric may be selected by the Company	-	-

Business Responsibility & Sustainability Report (Contd.)

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. **Provide the following details related to water discharged.**

Parameter	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of Treatment	Nil	Nil
Total water discharged (in kiloliters)	Nil	Nil

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. **Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Our manufacturing facilities have an effective zero liquid discharge mechanism. Sewage Treatment Plants (STPs) have been installed to treat sewage and canteen wastewater, with capacities of 40 KLD at Kothur, 50 KLD at Macharam and 50 KLD at Chhatrapati Sambhajinagar.

The treated water from these plants is utilised for on-site gardening, promoting a sustainable approach to water management. Additionally, the sludge generated undergoes is carefully digested in a controlled wetland area in the STP. The dried sludge is used as fertiliser, reducing waste while promoting eco-friendly practices.

6. **Please provide details of air emissions (other than GHG emissions) by the Company.**

Parameter	Unit	2025-26	2024-25
NOx	Avg mg/Nm^3	1,999.78	1,498.57
SOx	Avg mg/Nm^3	1,458.00	1,085.97
Particulate matter (PM)	Avg mg/Nm^3	1,245.38	846.00
Persistent organic pollutants (POP)	Avg mg/Nm^3	Nil	Nil
Volatile organic compounds (VOC)	Avg mg/Nm^3	NA	NA
Hazardous air pollutants (HAP)	Avg mg/Nm^3	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

Business Responsibility & Sustainability Report (Contd.)

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	Unit	2025-26	2024-25
Total Scope 1 emissions (Break-up of the GHG into CO$_2$, CH$_4$, N$_2$O, HFCs, PFCs, SF$_6$, NF$_3$, if available)	Metric tonnes of CO$_2$ Equivalent	2,330.83	4,495.0
Total Scope 2 emissions (Break-up of the GHG into CO$_2$, CH$_4$, N$_2$O, HFCs, PFCs, SF$_6$, NF$_3$, if available)	Metric tonnes of CO$_2$ Equivalent	26,125.93	24,874.40
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO$_2$ Equivalent/ ₹ In crores	18.06	19.43
Total Scope 1 and Scope 2 emission intensity per Metric tonnes of CO$_2$ Equivalent/ ₹ In crores of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		367.37	401.43
Total Scope 1 and Scope 2 emission intensity in terms of physical output		0.47	0.51
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the Company		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Terrablu Climate Technologies Private Limited, Pune.

8. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company continues to undertake initiatives to reduce its environmental footprint and mitigate greenhouse gas (GHG) emissions. During the year, the 1 MW solar power plant at the Chhatrapati Sambhajinagar facility contributed to an avoidance of over 1,072 MTCO$_2$e emissions from electricity consumption. The Company also completed afforestation initiatives across its facilities, covering approximately 8 acres and involving the plantation of over 35,000 trees, which are expected to enhance local air quality, support carbon sequestration, moderate ambient temperatures, and strengthen biodiversity. Further, the Company is progressively transitioning its vehicle fleet from conventional vehicles to electric vehicles, supporting the reduction of GHG emissions from transportation activities.

9. Provide details related to waste management by the Company.

Parameter	2025-26	2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	58.14	24.35
E-waste (B)	0.25	0.56
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	18.03	0.44
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	69.51	11.33
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	49,192.44	60,867.75
Total (A+B + C + D + E + F + G + H)	49,338.37	60,904.43
Parameter		
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	31.31	39.95
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	636.94	825.35
Waste intensity in terms of physical output (Waste generated in MT/Output in MT)	0.81	1.05
Waste intensity (optional) – the relevant metric may be selected by the Company	-	-

Business Responsibility & Sustainability Report (Contd.)

Parameter	2025-26	2024-25
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled		
Plastic Waste	58.14	24.35
E-waste	0.25	0.56
(ii) Re-used	49,210.47	60,868.19
(iii) Other recovery operations		-
Total	**49,268.86**	**60,893.10**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	8.57	11.33
(ii) Landfilling	57.60	-
(iii) Other disposal operations	3.34	-
Total	**69.51**	**11.33**

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

As part of our commitment to sustainability, we implement the 3R principles (Reduce, Reuse, and Recycle) across our operations. Waste generated at our manufacturing facilities is segregated into hazardous and non-hazardous categories, with non-hazardous waste further classified as recyclable and non-recyclable. Waste is managed in accordance with the Company's Material Handling OCP and applicable regulations. Recyclable waste is processed through Pollution Control Board-authorised vendors, batteries are returned to suppliers for recycling, and e-waste is disposed of through authorised recyclers. Our efforts focus on minimising energy consumption, recycling solid and liquid waste, and recovering reusable materials such as carbide, oils, and lubricants.

11. If the Company has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

The Company does not have any office or plants located around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the Company based on applicable laws, in the current financial year.

None

13. Is the Company compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

During the reporting period, there were no cases of non-compliance with applicable laws, regulations, guidelines in India. The Company is complying with all applicable environmental law/regulations/guidelines in India such as Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act, and rules made thereunder.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
None				

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT.

Essential indicators

1. a. **Number of affiliations with trade and industry chambers/associations.**

   Six

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/ National)
1	Chamber of Marathwada Industries & Agriculture (CMIA)	State
2	The Federation of Telangana Chambers of Commerce and Industry (FTCCI)	State
3	EEPC India (formerly Engineering Export Promotion Council)	National
4	Indian Electrical & Electronics Manufacturers' Association (IEEMA)	National
5	The Institute of Indian Foundrymen	National
6	Indo - German Chamber of Commerce (IGCC)	India and Germany

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.**

   No cases of anticompetitive conduct reported. There is no action taken or underway against the Company.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT.

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.**

   Not Applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company.**

   Not Applicable

3. **Describe the mechanisms to receive and redress grievances of the community.**

   Communities can reach out to the Company through mail or written communication for any grievances. The complaints or grievances received from Community is redressed by the respective Departments.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

	2025-2026	2024-2025
Directly sourced from MSMEs/small producers	4.70	4.01
Directly from within India	86.33	92.14

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	2025-26	2024-25
Rural	Nil	Nil
Semi-urban	10.16	51.03
Urban	70.88	48.97
Metropolitan	18.95	Nil

Business Responsibility & Sustainability Report (Contd.)

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

Essential indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   When we receive a customer complaint, we promptly register and acknowledge it. Our Quality Assurance team investigates the issue, prepares an interim response, and shares it with the Marketing team within 48 hours. We work closely with the customer to implement corrective actions and continuously monitor their effectiveness. Repairs or reworks are carried out as necessary, with the Quality team ensuring thorough inspections at every step. The respective departments take responsibility for following up on the recommended actions. We are fully committed to delivering zero-defect products and ensuring customer satisfaction through proactive and responsive quality management.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about environmental and social parameters relevant to the product, safe and responsible usage, recycling and/or safe disposal**

   The Company manufactures electrical steel laminations, sub-assemblies for motor & generator cores, die-cast rotors and machined casted & fabricated parts and shafts. The customer uses these parts to build their final product. Therefore, product information is not applicable at this stage.

3. **Number of consumer complaints in respect of the following:**

Number of consumer complaints in respect of the following:	2025-26		Remarks	2024-25		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. **Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. **Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes. The Company has an internally available policy on cyber security.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Not applicable as there have been no reported incidents of such issues to date.

7. **Provide the following information relating to data breaches**

a.	**Number of instances of data breaches along-with impact**	None
b.	**Percentage of data breaches involving personally identifiable information of customer**	Not Applicable
c.	**Impact, if any, of the data breaches**	Not Applicable

Report on Corporate Governance

STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

BOARD OF DIRECTORS

Composition of Board

As on 31st March 2026, the Board has seven Directors, comprising four Independent Directors, (including two Woman Directors), two Promoter Executive Directors and one Non-Independent Non-Executive Director. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations.

Directors' Directorships/Committee Memberships

The following table provides details of the Board of Directors as on 31st March 2026, including the number of Directorships and Committee positions (as Members or Chairpersons) held by each Director in other companies:

Name of the Director	Category	Number of Directorships in other companies	No. of committee positions held in other public companies		Directorship in listed Company(ies)	
			Member	Chairperson	Name of the Company	Position Held
Shri Sharad Badrivishal Pitti DIN 00078716	Founder & Chairman Promoter Executive Director	4	Nil	Nil	Nil	NA
Shri Akshay Sharad Pitti DIN 00078760	MD & CEO Promoter Executive Director	6	Nil	Nil	Nil	NA
Shri Yogender Bahadur Sahgal DIN 01622420	Independent Non-Executive	1	Nil	Nil	Nil	NA
Shri Vinod Nagururu Kumar DIN 00121111	Independent Non-Executive	1	Nil	Nil	Nil	NA
Smt. Kemisha Soni DIN 06805708	Independent Non-Executive	5	5	3	Poonawalla Fincorp Limited	Independent Director
					Jagran Prakashan Limited	Independent Director
Smt. Priti Paras Savla DIN 00662996	Independent Non-Executive	11	5	3	IRB Infrastructure Developers Limited	Independent Director
					Apcotex Industries Limited	Independent Director
					Vikran Engineering Limited	Independent Director
Shri Gummalla Vijaya Kumar DIN 00780356	Non-Executive Non-Independent Director	Nil	Nil	Nil	Nil	NA

In accordance with Regulation 26 of the SEBI Listing Regulations, none of the Directors are members in more than 10 committees excluding membership in private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Act or acts as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders Relationship Committee are only considered in computation of limits. Further all the Directors have informed about their directorships and committee memberships/chairmanships including any change in their positions. The number of directorships, committee membership(s)/chairmanship(s) of all Directors is within respective limits prescribed under the Act and the SEBI Listing Regulations.

Report on Corporate Governance (Contd.)

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

Meetings of the Board

The Board of Directors meets at regular intervals to deliberate on and approve key business strategies, policies, and plans, review the financial and operational performance of the Company and its subsidiaries, and consider other matters requiring its approval in accordance with applicable laws and regulations. Notices convening the meetings, together with detailed agenda papers, explanatory notes, and relevant supporting information, are circulated to all Directors well in advance. In exceptional circumstances, items may be tabled at the meeting with the approval of the Board. With the unanimous consent of the Board, information which is in the nature of Unpublished Price Sensitive Information, is circulated to the Board and its Committees in advance and/or at shorter notice, as warranted by business exigencies. The minimum information required to be made available to the Board as set out in Regulation 17 read with Part A of Schedule II of the SEBI Listing Regulations has been placed before the Board. To ensure effective participation, video conferencing facilities are made available to Directors in accordance with the provisions of the Companies Act, 2013 and applicable secretarial standards.

Minimum four prescribed Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of special and urgent business matters, approval of the Board/Committees is taken by passing a resolution by circulation, as permitted by law, which is noted in the next Board/ Committee meeting.

During the year under review, four meetings of the Directors were held on 21st April 2025, 7th August 2025, 7th November 2025 and 5th February 2026. The gap between the meetings did not exceed 120 days. The Company follows the applicable Secretarial Standards in relation to the Board meetings. The necessary quorum was present for all the meetings.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Name of the Director	Category	Number of Board Meetings			Whether attended last AGM held on 26th September 2025
		Held	Eligible to attend	Attended	
Shri Sharad Badrivishal Pitti DIN 00078716	Founder & Chairman	4	4	3	Yes
Shri Akshay Sharad Pitti DIN 00078760	MD & CEO	4	4	4	Yes
Shri S Thiagarajan# DIN 02721001	Independent Director	4	1	1	NA
Shri Yogender Bahadur Sahgal DIN 01622420	Independent Director	4	4	4	Yes
Shri Vinod Nagururu Kumar DIN 00121111	Independent Director	4	4	3	Yes
Smt. Kemisha Soni DIN 06805708	Independent Director	4	4	4	Yes
Smt. Priti Paras Savla DIN 00662996	Independent Director	4	4	4	Yes
Shri Vijaya Kumar Gummalla* DIN 00780356	Non-Executive- Non-Independent Director	4	1	1	NA

#Ceased to be a Director upon completion of second term on 24th April 2025.

*Appointed w.e.f. 5th February 2026

BOARD'S SKILLS / EXPERTISE / COMPETENCIES

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

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

Report on Corporate Governance (Contd.)

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

Sl. No.	Name of the Director	Category	Skills/Expertise/Competence of the Directors					
			Governance and Board Service	Business Understanding	Risk/Legal/ Regulatory Compliance	Information Technology / Accounting / Financial Experience	Industry/ Sector Knowledge	Strategy Development and Implementation
1.	Shri Sharad B Pitti	Founder & Chairman Executive Director	✓	✓	✓		✓	✓
2.	Shri Akshay S Pitti	MD & CEO Executive Director	✓	✓		✓	✓	✓
3.	Shri Y B Sahgal	Non-Executive Independent Director	✓	✓		✓	✓	✓
4.	Shri N Vinod Kumar	Non-Executive Independent Director	✓	✓	✓	✓		✓
5.	Smt. Kemisha Soni	Non-Executive Independent Director	✓	✓	✓	✓		✓
6.	Smt. Priti Paras Savla	Non-Executive Independent Director	✓	✓	✓	✓		✓
7.	Shri Gummalla Vijaya Kumar	Non-Executive Non-Independent Director	✓	✓	✓	✓		✓

MEETING OF THE INDEPENDENT DIRECTORS

During the year under review, a separate meeting of the Independent Directors was convened on 21st April 2025, in compliance with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations. The meeting was held without the presence of the Non-Independent Directors and members of the Management. The meeting was attended by all the Independent Directors.

Name	Number of meetings		
	Held	Eligible to attend	Attended
Shri S Thiagarajan#	1	1	1
Smt Kemisha Soni	1	1	1
Shri Y B Sahgal	1	1	1
Shri N Vinod Kumar	1	1	0
Smt Priti Paras Savla	1	1	1

Ceased to be a Director upon completion of second term on 24th April 2025.

At the meeting the Independent Directors reviewed the performance of the Non-Independent Directors, the Chairperson, and the Board as a whole. The Independent Directors also reviewed the quality, adequacy, and timeliness of the flow of information from the Management to the Board and its Committees. Following detailed deliberations, they were of the view that the information provided to the Board and its Committees was comprehensive, relevant, and timely, thereby enabling them to effectively discharge their statutory, fiduciary, and governance responsibilities and contribute constructively to the Company's strategic oversight and decision-making processes.

CONFIRMATION FROM THE BOARD

The Board of Directors has reviewed and verified the declarations and confirmations submitted by the Independent Directors. Based on such evaluation, the Board is of the opinion that all Independent Directors meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI Listing Regulations and are independent of the Management.

During the year under review, there has been no resignation of Independent Directors. Shri S Thiagarajan, ceased to be Director of the Company w.e.f. 24th April 2025 on completion of his second tenure as Independent Director.

During the year, based on the recommendation of the Nomination and Remuneration Committee, the Board appointed Shri Gummalla Vijaya Kumar as Non-Executive Non-Independent Director of the Company, effective from 5th February 2026. The said appointment was approved by the Members through Postal ballot resolution dated 4th April 2026.

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 become acquainted with the operations of the Company. The details of the familiarisation programme for Independent Directors is available on the Company's website

https://www.pitti.in/api/investor-relation/download/Familiarisation%20Programme%20for%20Independent%20Directors.pdf?id=149&disposition=inline

Report on Corporate Governance (Contd.)

GOVERNANCE POLICIES

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

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

The above policies are available on the website of the Company at https://pitti.in/investors/corporate-governance#Policies under the head Investors Desk.

EQUITY SHARES AND CONVERTIBLE INSTRUMENTS HELD BY DIRECTORS

The number of equity shares held by the Directors as on 31st March 2026 is given below:

Name	Equity shares
Shri Sharad B Pitti	44,38,653
Shri Akshay S Pitti	34,71,687
Shri Y B Sahgal	Nil
Shri N Vinod Kumar	Nil
Smt. Kemisha Soni	Nil
Smt. Priti Paras Savla	Nil
Shri Gummalla Vijaya Kumar	20

SENIOR MANAGEMENT

In terms of Regulation 16(1)(d) of SEBI Listing Regulations, details of senior management personnel of the Company as on 31st March 2026 are provided below.

Name	Designation as on 31st March 2026
Shri Sandip Agarwala	COO–Motor & Generator Components Business
Shri Rishab Gupta*	COO-Machined Components & Enterprise Sourcing
Shri Chaitra Sundaresh	Deputy Chief Operating Officer
Shri M Pavan Kumar	Chief Financial Officer
Kumari Mary Monica Braganza	Company Secretary & Chief Compliance Officer

* Shri Rishab Gupta was redesignated as COO-Machined Components & Enterprise Sourcing with effect from 21st April 2025.

Shri Varun Agarwal, COO-Machined Components Business resigned on 7th April 2025.

COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee comprise entirely of Independent Directors. All members of the Audit Committee have accounting, financial and management expertise. The Chairperson of the Committee attended the AGM held on 26th September 2025 to answer the shareholders queries.

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

21st April 2025, 7th August 2025, 7th November 2025 and 5th February 2026.

The gap between the meetings did not exceed 120 days.

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

Name	Category	Position	Number of meetings		
			Held	Eligible to attend	Attended
Shri S Thiagarajan#	Independent Director	Chairperson	4	1	1
Smt Kemisha Soni*	Independent Director	Chairperson	4	2	2
Shri Y B Sahgal	Independent Director	Member	4	4	4
Shri N Vinod Kumar	Independent Director	Member	4	4	3
Smt Priti Paras Savla	Independent Director	Member	4	4	4

#Ceased to be member and chairperson of the Committee with effect from 24th April 2025

*Appointed as the member and chairperson of the Committee with effect from 7th August 2025

Report on Corporate Governance (Contd.)

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

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

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, re-appointment and terms of appointment of the auditors and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of the Companies Act, 2013;
    b) Changes, if any, in accounting policies and practices and reasons for the same;
    c) Major accounting entries involving estimates based on the exercise of judgement by management;
    d) Significant adjustments made in the financial statements arising out of audit findings;
    e) Compliance with listing and other legal requirements relating to financial statements;
    f) Disclosure of any related party transactions; and
    g) Modified opinion(s) in the draft audit report.
5. Reviewing along with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised 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 issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
8. Approval of any subsequent modification of transactions of the listed entity with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the listed entity, whenever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower mechanism.
19. Approval of appointment of chief financial officer after assessing the qualifications, experience & background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilisation of loans and/ or advances from/ investment by the holding Company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
23. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Report on Corporate Governance (Contd.)

The Audit Committee shall mandatorily review the following information

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

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

iii. Internal audit reports relating to internal control weaknesses;

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

v. 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(1) of the SEBI Listing Regulations.
- Annual statement of funds utilised for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

NOMINATION AND REMUNERATION COMMITTEE

The Committee's composition is in compliance with the provisions of section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The Chairperson of the Committee attended the AGM held on 26th September 2025 to answer the shareholders queries.

During the year under review, the Committee met on 21st April 2025, 7th August 2025 and 5th February 2026.

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

Name	Category	Position	Number of meetings		
			Held	Eligible to attend	Attended
Shri S Thiagarajan*	Independent Director	Chairperson	3	1	1
Shri Y B Sahgal#	Independent Director	Chairperson	3	3	3
Shri N Vinod Kumar	Independent Director	Member	3	3	2
Smt. Kemisha Soni	Independent Director	Member	3	3	3

*Ceased to be member and chairperson of the Committee with effect from 24th April 2025

#Appointed as chairperson of the Committee with effect from 7th August 2025

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

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

    1A For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

    a. use the services of external agencies, if required;

    b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

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

Report on Corporate Governance (Contd.)

EMPLOYEE STOCK OPTION SCHEME 2024

The Members of the Company approved the Pitti Engineering Limited Employee Stock Option Scheme, 2024 (ESOP 2024) on 13th June 2024, authorising the grant of up to 13,00,000 stock options to eligible employees of the Company and its subsidiary and associate companies. Pursuant to the said approval, the Nomination and Remuneration Committee (NRC), being the designated authority for administration and implementation of the Scheme, granted 7,87,500 stock options on 13th March 2025.

The Scheme has been formulated in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee has established the criteria for evaluation of the performance of Independent Directors. The evaluation is undertaken against a broad range of prescribed criteria and encompasses, inter alia, attendance and participation at Board and Committee meetings, contribution to strategic guidance and governance oversight, effective application of knowledge and experience, integrity and ethical conduct, safeguarding stakeholder interests, maintenance of independence and objectivity of judgement, and overall contribution to the effectiveness of the Board and its Committees in compliance with the applicable laws, regulations and guidelines.

REMUNERATION POLICY

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

The Policy on remuneration of Directors, Senior Management Personnel, Key Managerial Personnel and other employees of the Company is available on the Company's website at

https://pitti.in/api/investor-relation/download/Remuneration%20Policy%20(Effective%20from%20April%201%2C%202019).pdf?id=157&disposition=inline

REMUNERATION OF DIRECTORS

The details of remuneration to the Directors for the financial year ended 31st March 2026.

₹ in Lakhs

Name	Salary	Benefits & Allowances	Commission on net profit	Sitting Fees	Total
Shri Sharad B Pitti	180.00	-	-	-	180.00
Shri Akshay S Pitti	175.38	4.62	267.11	-	447.11
Shri S Thiagarajan#	-	-	-	2.50	2.50
Shri Y B Sahgal	-	-	-	13.50	13.50
Shri N Vinod Kumar	-	-	-	6.50	6.50
Smt. Kemisha Soni	-	-	-	8.00	8.00
Smt. Priti Paras Savla	-	-	-	7.50	7.50
Shri Gummalla Vijaya Kumar	-	-	-	1.00	1.00

Ceased to be a Director upon completion of second term on 24th April 2025.

During the year under review, the Non-Executive Directors did not have any pecuniary relationship or transactions with the Company, other than the payment of sitting fees and reimbursement of expenses incurred for attending meetings of the Board and its Committees. No stock options were granted to any Director of the Company. The terms and conditions governing the appointment and remuneration of the Founder & Chairman and the Managing Director & Chief Executive Officer are in accordance with the resolutions approved by the Members. There is no separate provision for payment of severance fees and notice period for termination of their services. None of the Directors received any remuneration or commission from the Company's subsidiaries during the year.

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors are paid sitting fees for attending meetings of the Board and its Committees, as approved by the Board of Directors, within the limits prescribed under the Companies Act, 2013 and the rules made thereunder. During the financial year 2025-26, the sitting fees payable to Non-Executive Directors were ₹1,00,000 per meeting of the Board of Directors and ₹50,000 per meeting of the Board Committees attended. The Independent Directors were paid a sitting fee of ₹50,000 each for attending the separate meeting of Independent Directors convened during the year.

Report on Corporate Governance (Contd.)

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

During the year under review, the Committee met on 7th November 2025 and 31st March 2026.

Name	Category	Position	Number of meetings		
			Held	Eligible to attend	Attended
Smt Kemisha Soni	Independent Director	Chairperson	2	2	2
Shri Y B Sahgal	Independent Director	Member	2	2	2
Shri N Vinod Kumar	Independent Director	Member	2	2	2
Shri S Thiagarajan*	Independent Director	Member	2	NA	NA

*Ceased to be member of the Committee with effect from 24th April 2025

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

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.
5. Approve issue of the Company's duplicate share/debenture certificates.
6. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification /amendment or modification as may be applicable.

Name, designation and address of Compliance Officer:

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

The status of the complaints received during the year ended 31st March 2026 is as follows

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	1	1	Nil

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

During the year under review, the Committee met on 21st April 2025, 7th August 2025 and 7th November 2025

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

Name	Category	Position	Number of meetings		
			Held	Eligible to attend	Attended
Shri Sharad B Pitti	Promoter Executive Director	Chairperson	3	3	2
Shri Akshay S Pitti	Promoter Executive Director	Member	3	3	3
Shri Y B Sahgal	Independent Director	Member	3	3	3

Report on Corporate Governance (Contd.)

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

a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as per the provisions of applicable laws.

b) Recommend the amount of expenditure to be incurred on CSR Activities.

c) Monitor the CSR Policy of the Company from time to time.

d) Formulate and recommend to the Board an Annual Action Plan in pursuance of the CSR policy.

RISK MANAGEMENT COMMITTEE

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

During the year under review, the Committee met two times on the following dates: 7th August 2025 and 5th February 2026

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

Name	Category	Position	Number of meetings		
			Held	Eligible to attend	Attended
Smt. Priti Paras Savla	Independent Director	Chairperson	2	2	2
Shri Akshay S Pitti	Promoter Executive Director	Member	2	2	1
Shri Sandip Agarwala	COO-Motor and Generator Components Business	Member	2	2	2

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

1. Formulate a detailed risk management policy which shall include:
    a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
    b) Measures for risk mitigation including systems and processes for internal control of identified risks.
    c) Business continuity plan
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
7. 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.
8. Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

COMMITTEE OF DIRECTORS

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

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

24th June 2025, 23rd July 2025, 2nd September 2025, 2nd December 2025, 28th January 2026 and 20th March 2026

Report on Corporate Governance (Contd.)

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

Name	Category	Position	Number of meetings		
			Held	Eligible to attend	Attended
Shri Sharad B Pitti	Promoter Executive Director	Chairperson	6	6	4
Shri Akshay S Pitti	Promoter Executive Director	Member	6	6	6
Shri Y B Sahgal	Independent Director	Member	6	6	6

GENERAL BODY MEETINGS

Annual General Meetings

Year	Date & Time	Venue	Special Resolutions
2022-23	18th August 2023 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	None
2023-24	20th September 2024 4:00 pm	Through Video Conferencing / Other Audio-Visual Means	1. Appointment of Shri Vinod Kumar Nagururu (DIN: 00121111) as an Independent Director 2. Appointment of Smt Kemisha Soni (DIN: 06805708) as an Independent Director 3. Appointment of Smt Priti Paras Savla (DIN: 00662996) as an Independent Director
2024-25	26th September 2025 2:30 pm	Through Video Conferencing / Other Audio-Visual Means	None

POSTAL BALLOT DURING THE LAST THREE YEARS

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

<table>
<tr><th>Year</th><th>No of postal ballots conducted</th><th>Details of resolution and voting pattern</th></tr>
<tr><td>2023-24</td><td>One</td><td>Business transacted:
1. Special resolution to approve the appointment of Shri Yogender Bahadur Sahgal (DIN: 01622420) as an Independent Director
<table>
<tr><th>Particulars</th><th>No of shares</th><th>%</th></tr>
<tr><td>Votes cast in favour</td><td>1,99,77,318</td><td>96.20</td></tr>
<tr><td>Votes cast against</td><td>7,88,826</td><td>3.80</td></tr>
<tr><td>Total valid votes</td><td>2,07,66,144</td><td>100.00</td></tr>
<tr><td>Invalid votes</td><td>-</td><td>-</td></tr>
</table>
The shareholders approved the said resolution with requisite majority on 27th December 2023 and the results were declared on 28th December 2023. Shri Ajay Kishen, Practicing Company Secretary was appointed as scrutiniser for conducting voting through remote e-voting in a fair and transparent manner.</td></tr>
<tr><td>2024-25</td><td>One</td><td>1. Ordinary resolution to approve the material related party transaction
<table>
<tr><th>Particulars</th><th>No of shares</th><th>%</th></tr>
<tr><td>Votes cast in favour</td><td>57,03,943</td><td>99.996</td></tr>
<tr><td>Votes cast against</td><td>248</td><td>0.004</td></tr>
<tr><td>Total valid votes</td><td>57,04,191</td><td>100.000</td></tr>
<tr><td>Invalid votes</td><td>-</td><td>-</td></tr>
</table>
The shareholders approved the said resolution with requisite majority on 11th December 2024 and the results were declared on 12th December 2024. Shri Ajay Kishen, Practicing Company Secretary was appointed as scrutiniser for conducting voting through remote e-voting in a fair and transparent manner.</td></tr>
</table>

Report on Corporate Governance (Contd.)

<table>
<tr><th>Year</th><th>No of postal ballots conducted</th><th>Details of resolution and voting pattern</th></tr>
<tr><td>2025-26</td><td>One</td><td>1. Ordinary resolution to approve the appointment of Shri Gummalla Vijaya Kumar as a Non-Executive Non-Independent Director
<table>
<tr><th>Particulars</th><th>No of shares</th><th>%</th></tr>
<tr><td>Votes cast in favour</td><td>2,63,62,832</td><td>99.9999</td></tr>
<tr><td>Votes cast against</td><td>15</td><td>0.0001</td></tr>
<tr><td>Total valid votes</td><td>2,63,62,847</td><td>100.000</td></tr>
<tr><td>Invalid votes</td><td>-</td><td>-</td></tr>
</table>
The shareholders approved the said resolution with requisite majority on 4th April 2026 and the results were declared on 6th April 2026. Shri Saurabh Poddar, Practicing Company Secretary was appointed as scrutiniser for conducting voting through remote e-voting in a fair and transparent manner.</td></tr>
</table>

There is no proposal to conduct postal ballot for any matter in the ensuing 42nd Annual General Meeting.

PROCEDURE FOR POSTAL BALLOT

In compliance with the SEBI Listing Regulations and section 108, 110 and other applicable provisions of the Act, read with applicable rules, made thereunder read with the Ministry of Corporate Affairs Circulars and Regulation 44 of the SEBI Listing Regulations read with circular of SEBI on e-Voting facility, Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the notice of Postal Ballot was sent in electronic form only to the shareholders to their email ids registered with the Depository Participants/Registrar and share transfer agents. The Company engaged the services of MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) (MUFG) for the purpose of providing e-voting facility to all its shareholders.

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

The Scrutiniser submitted the Report to the Chairperson, following which the consolidated voting results were declared. The results were disseminated through the Company's website, www.pitti.in, and were duly intimated to the Stock Exchanges and MUFG Intime India Private Limited, the Company's Registrar and Share Transfer Agent.

DISCLOSURES

a) Related party transactions

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

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

During the year, the Company has entered into transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. The details of related party transactions are provided in Note 25.7 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 policy on Related Party Transactions is available on the website of the Company at https://pitti.in/api/investor-relation/download/Policy%20on%20Related%20Party%20Transaction%20(Effective%20from%20April%201%2C%202022).pdf?id=156&disposition=inline

b) Details of Non-compliances

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

c) Vigil mechanism / Whistle blower policy

The Company has adopted the whistle blower policy and has established necessary vigil mechanism as defined under Regulation 22 of the SEBI Listing Regulations for the Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethical policy and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. 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 Whistle Blower Policy is available on the Company's website at https://pitti.in/api/investor-relation/download/Whistle%20Blower%20Policy%20%20Vigil%20Mechanism%20Policy%20(Effective%20from%20April%201%2C%202019).pdf?id=159&disposition=inline

Report on Corporate Governance (Contd.)

d) Subsidiaries

As on 31st March 2026, the Company has two unlisted wholly owned subsidiaries viz., Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited) ("PIPL") and Dakshin Foundry Private Limited ("DFPL").

In terms of Regulation 16 of the SEBI Listing Regulations, PIPL was identified as the unlisted material subsidiary of the Company for the financial year 2025-26. The minutes of the subsidiary companies were placed before the Board of Directors of the Company on a quarterly basis and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of the subsidiaries is also reviewed by the Audit Committee and Board periodically. The Company is compliant with other requirements under Regulation 24 of the SEBI Listing Regulations with regards to its subsidiary companies.

The details of material subsidiaries during the financial year 2025-26, are given below

Name	Date and place of incorporation	Name of Statutory auditors Date of Appointment
Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited)	19th January 2006, India	SVD & Associates Chartered Accountants 22nd July 2024

The Policy on Material Subsidiaries is available on the Company's website at https://pitti.in/api/investor-relation/download/Policy%20for%20Determining%20Material%20Subsidiary%20(Effective%20from%20April%201%2C%202019).pdf?id=152&disposition=inline

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

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

As a net foreign exchange earner, the Company is exposed to risks arising from fluctuations in foreign currency exchange rates. To mitigate such risks, the Company endeavours to achieve a natural hedge by aligning foreign currency receivables and payables to the extent practicable. For residual exposures, the Company adopts an appropriate risk management approach based on prevailing market conditions, which may include maintaining open positions or entering into hedging arrangements. Foreign exchange exposures are reviewed and monitored periodically to ensure effective risk management.

f) Credit Ratings

India Ratings and Research Private Limited has assigned IND AA-/Stable / IND A1+ ratings to the Company's bank loan facilities. Details of the credit rating are available on the Company's website at https://www.pitti.in/api/investor-relation/download/Credit%20Rating%2027%20April%202026.pdf?id=1010&disposition=inline

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

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

h) Certificate from Company Secretary in Practice with regard to disqualification of Directors.

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

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

During the financial year ended 31st March 2026, all recommendations made by the Committees of the Board were duly considered and accepted by the Board of Directors.

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

₹ in Lakhs

Particulars	2025-26
Audit fees	15.00
Tax audit fees	5.25
Certification fee / taxation matter	15.90
Out of pocket expenses	2.08

Report on Corporate Governance (Contd.)

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

The Company is committed to maintaining a safe, respectful, and inclusive workplace and has a zero-tolerance policy towards sexual harassment. The Company has in place a policy on prevention, prohibition and redressal of sexual harassment and has constituted internal committees in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There were no complaints pending at the beginning of the year, and no complaints were received during the year under the said Act.

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

During the year, neither the Company nor its wholly owned subsidiaries have granted any loans or advances in the nature of loans to firms or companies in which the directors are interested, except for loans extended by the Company to its wholly owned subsidiary and by the subsidiaries to fellow subsidiaries.

m) Adoption of Mandatory and Non-Mandatory Requirements

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

The financial statements for the year ending 31st March 2026 do not contain any audit qualification. The internal auditor reports to the Audit Committee.

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

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

o) 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.

p) Risk management

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

q) Disclosure of agreements binding listed entities

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

MEANS OF COMMUNICATION

Quarterly results and filings

The Company's quarterly and annual financial results, as approved by the Board of Directors, are submitted to the Stock Exchanges and published in Business Line (English) and Nava Telangana (Telugu). The financial results are also hosted on the Company's website and on the websites of BSE Limited and the National Stock Exchange of India Limited.

Report on Corporate Governance (Contd.)

Further, all statutory and regulatory filings, including financial results, Corporate Governance Reports, shareholding patterns, investor presentations, press releases, and other corporate communications, are submitted electronically through the respective Stock Exchange portals and are simultaneously made available on the Company's website.

Presentations to institutional investors / analysts

The Company discusses with the Institutional Investors and Analysts on the Company's performance on a periodic basis and presentations, if any, along with the schedule of analyst and institutional investor meetings, are intimated to the Stock Exchanges within the prescribed time specified under the SEBI Listing Regulations and hosted on the Company's website.

Website

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

GENERAL SHAREHOLDER INFORMATION

Company Registration details

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

Annual General Meeting for the Financial Year 2025-26

Day & Date	Friday, 18th September 2026
Time	4:00 P.M (IST)
Venue	The AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ("OAVM") only
Record date / cut-off date (for AGM e-voting and final dividend)	Friday, 11th September 2026

Financial Calendar

Financial Year	:	1st April to 31st March
Tentative calendar for declaration of results for quarter ending		
30th June 2026	:	on or before 14th August 2026
30th September 2026	:	on or before 14th November 2026
31st December 2026	:	on or before 14th February 2027
31st March 2027	:	on or before 30th May 2027

Dividend

Dividend	Amount and %	Date of Declaration	Date of Payment
Proposed Final Dividend subject to the approval of members at the ensuing AGM	₹ 2.50/- (50%)	At the ensuing AGM	Within 30 days from the date of declaration.

Listing Information

Name and address of the Stock Exchanges	Stock Code
BSE Limited (BSE) Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	513519
National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	PITTIENG
ISIN	INE450D01021

The Company has paid the requisite annual listing fees to the Stock Exchanges and annual depository/custody fees to Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for the financial year 2025-26. The Company's securities have never been suspended from trading on any Stock Exchange.

Report on Corporate Governance (Contd.)

REGISTRAR AND SHARE TRANSFER AGENTS

MUFG Intime India Private Limited
(Formerly Link Intime India Private Limited)
C-101, Embassy 247, L.B.S. Marg,
Vikhroli (West),
Mumbai – 400 083
Tel No.: 91 8108116767
Email: investor.helpdesk@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

SHARE TRANSFER SYSTEM

Trading in equity shares of the Company is permitted only in dematerialised form. In terms of requirements of Regulation 40 of the SEBI Listing Regulations w.e.f. 1st April 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised to be able to freely transfer them and participate in various corporate actions.

Pursuant to SEBI Circular dated 25th January 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares.

If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

During the year under review, the Company has not transferred any shares in the aforesaid account.

SIMPLIFICATION OF PROCESS BY SEBI

SEBI from time to time has simplified the process for various investor services requests to make it more efficient and investor friendly. In continuation, the SEBI during the year has notified following changes in the manner of processing investor services requests by the Company/its RTA:

Procedure for issuance of duplicate share certificate

In continuation of the above, SEBI, vide its Circular No. HO/38/13/11(3)2025-MIRSD-POD/I/1102/2025 dated 24th December 2025, has further streamlined and simplified the process for issuance of duplicate securities by introducing a standardised Affidavit-cum-Indemnity Bond in place of separate documents. The said Circular read with previous Circulars have also dispensed certain procedural requirements, such as filing of police complaints, publication of newspaper advertisements, and notarisation of affidavits for cases up to a specified value.

Special window for re-lodgement of transfer of physical shares

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated 2nd July 2025, a special window was made available from 5th July 2025 to 6th January 2026 to facilitate the re-lodgement of transfer requests pertaining to physical shares purchased or sold prior to 1st April 2019, which were rejected, returned, or remained unattended due to deficiencies in documentation, procedural requirements, or other reasons.

Subsequently, SEBI, vide Circular No. HO/38/13/11(2)2026-MIRSD-POD/I/3750/2026 dated 30th January 2026, provided an additional special window for a period of one year from 5th February 2026 to 4th February 2027 to facilitate the transfer and dematerialisation of physical shares.

Members wishing to avail this facility should submit the required documents to MUFG Intime India Private Limited, the Company's RTA, on or before 4th February 2027. Transfers will be processed subject to receipt of complete documentation. Shares transferred under this mechanism will be credited only in dematerialised form and will remain locked-in for one year.

During the year under review, the Company did not receive any request for transfer or re-lodgement of physical shares under the aforesaid special windows.

RTA DIGITAL INITIATIVES FOR ENHANCED INVESTOR SERVICES

The Company's RTA has implemented various investor related initiatives as detailed below in order to enhance their investor service levels:

a) SWAYAM Portal

'The members may take note that 'SWAYAM' is a secure, user-friendly web-based application, developed by "MUFG Intime India Private Limited", our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal.

This application can be accessed at https://swayam.in.mpms.mufg.com/

Following are the key features and benefits of the portal:

- Effective Resolution of Service Request - Generate and Track Service Requests/Complaints through SWAYAM.
- Features - A user-friendly GUI (Graphical User Interface)
- Track Corporate Actions like Dividend/Interest/Bonus/split.

Report on Corporate Governance (Contd.)

- PAN-based investments - Provides access to linked PAN accounts, Company wise holdings and security valuations.
- Effortlessly Raise request for Unpaid Amounts.
- Self-service portal – for securities held in demat mode and physical securities, whose folios are KYC compliant.
- Statements - View entire holdings and status of corporate benefits.
- Two-factor authentication (2FA) at Login - Enhances security for investor.

b) Investor Query/Service Request Module

The shareholders are requested to take note that all queries, service requests or complaints in electronic mode, by any genuine shareholders, may be raised through the RTA's website at https://web.in.mpms.mufg.com/helpdesk/Service_Request.html.

c) 24/7 Chatbot Support: iDIA

Investors can now access round-the-clock support through our RTA's new chatbot, "iDIA." Utilizing advanced conversational technology, this intuitive platform allows investors to seamlessly ask questions and resolve their queries at any time.

d) Tax Exemption Forms

The shareholders can submit their tax exemption forms through online services on the RTA's website at https://web.in.mpms.mufg.com/formsreg/submission-of-Form-121-41.html.

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2026

Shares held	No. of Shareholders	%	No. of Shares	%
Up to 500	36,181	94.95	22,23,541	5.91
501 to 1,000	966	2.53	7,42,381	1.97
1,001 to 2,000	433	1.14	6,30,825	1.67
2,001 to 3,000	150	0.39	3,83,542	1.02
3,001 to 4,000	80	0.21	2,84,286	0.76
4,001 to 5,000	38	0.10	1,73,486	0.46
5,001 to 10,000	121	0.32	8,63,200	2.29
Above 10,000	136	0.36	3,23,52,327	85.92
Total	**38105**	**100.00**	**3,76,53,588**	**100.00**

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2026

Category of shareholders	Total number of shares	% of shares held
Promoters & Promoter group	2,03,99,999	54.18
Individuals	63,57,268	16.88
Mutual Funds	53,55,173	14.22
Insurance Companies	15,13,162	4.02
Body Corporates	8,55,327	2.27
Alternate Investment Funds	7,47,440	1.99
Non Promoter Non Public	7,40,000	1.97
Foreign Portfolio Investors	4,19,417	1.11
NRI	4,17,398	1.11
IEPF	3,84,928	1.02
HUF	2,46,069	0.65
LLP	1,32,656	0.35
Clearing Members	84,731	0.23
Directors and their Relatives (Excluding Independent Directors and Nominee Directors)	20	0.00
Total	**3,76,53,588**	**100.00**

Report on Corporate Governance (Contd.)

DEMATERIALISATION OF SHARES AND LIQUIDITY

The Company's equity shares are mandatorily traded in dematerialised form on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). As on 31st March 2026, shares representing 99.62% of the Company's paid-up equity share capital were held in dematerialised form. The International Securities Identification Number (ISIN) allotted to the Company's equity shares under the depository system is INE450D01021.

Mode of holding	No of Shares	%
NSDL	33400142	88.70
CDSL	4110200	10.92
Physical	143246	0.38
Total	**37653588**	**100.00**

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.

Shareholders who continue to hold shares in physical form are requested to dematerialise their shares at the earliest and avail benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialised is given hereunder:

a) Demat account should be opened with a Depository Participant ("DP").

b) Shareholders should submit the Dematerialisation Request Form ("DRF") along with share certificates in original, to their DP.

c) DP will process the DRF and will generate a Dematerialisation Request Number ("DRN").

d) DP will submit the DRF and original share certificates to the Registrar and Transfer Agents ("RTA"), i.e. MUFG Intime India Private Limited.

e) RTA will process the DRF and update the status to DP/ depositories.

f) Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

The Company has further authorised its RTA to issue 'Letter of confirmation' in lieu of physical securities certificate(s) within 30 days of its receipt of such request after removing objections and complied with other requirements as stated in the Circular.

UPDATION OF PAN, KYC DETAILS AND NOMINATION

Pursuant to SEBI Master Circular dated 6th February 2026 issued to the RTA's read with the other related SEBI Circulars and SEBI Listing Regulations, SEBI has mandated that dividend to security holders who are holding securities in physical form, shall be paid only through electronic mode. Such payment shall be made only after the shareholders furnish their PAN, contact details (postal address with PIN and mobile number), Bank Account details & Specimen Signature ("KYC") and nomination details.

As per applicable SEBI Circular(s), PAN details are to be compulsorily linked to Aadhar details by the date specified by Central Board of Direct Taxes. Shareholders are requested to submit PAN, or intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, specimen signature (as applicable) etc., to their DP in case of holding in dematerialised form or to Company's RTA, MUFG Intime India Private Limited. through Form ISR-1, Form ISR-2 and Form ISR- 3 (as applicable) available on the Company's website at https://pitti.in/investors/corporate-governance#Shareholder%20Request%20Forms%20%26%20Unclaimed%20Dividend/Service%20Request%20Forms and on the website of MUFG Intime India Private Limited at https://in.mpms.mufg.com/ in case of holdings in physical form.

SEBI SCORES PORTAL

SEBI has requested the shareholders to approach the Company directly at the first instance for grievance. If the Company does not resolve the grievances of the shareholders within stipulated time, then they may lodge the complaint on the SEBI SCORES Portal for further action. The revised framework for handling and monitoring of investor complaints received through SCORES platform by the Company and designated stock exchanges is provided by SEBI in its Master Circular dated 6th February 2026.

DISPUTE RESOLUTION MECHANISM AT STOCK EXCHANGES

After exhausting all the available options for resolution of the grievance with the RTA / Company, if the Shareholder is still not satisfied with the outcome, they may initiate dispute resolution through the Online Dispute Resolution Portal ("ODR") at https://smartodr.in/login. The process for online resolution of disputes in the securities market has been provided by SEBI in its Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated 6th February 2026.

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 2026.

Report on Corporate Governance (Contd.)

PLANT LOCATIONS

Kothur, Telangana	Nandigaon, Telangana	Macharam, Telangana
Survey No. 1837 & 1838 Jingoniguda Road, Nandigaon, Kothur, Rangareddy, Telangana – 509228	Survey No.1603 & 1607, Nandigaon Village, Kothur, Rangareddy, Telangana- 509228	Survey No.53, Balanagar Mandal, Macharam, Mahabubnagar, Telangana-509202

Chhatrapati Sambhajinagar, Maharashtra
Gut No. 194, 195, 183, 191, 182 (Part of), Limbe Jalgaon, Gangapur, Chhatrapati Sambhajinagar, Maharashtra, 431 133

ADDRESS FOR CORRESPONDENCE

For shares held in physical form	For shares held in demat form
MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) C-101, Embassy 247, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel No.: 91 8108116767 Email: investor.helpdesk@in.mpms.mufg.com	To the Depository Participant

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

UNCLAIMED DIVIDEND / SHARES

Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven consecutive years from the date of such transfer then the said unclaimed or unpaid dividend amount shall be transferred by the Company to the Investor Education and Protection Fund ("the 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 Company Secretary & Chief Compliance Officer has been designated as the Nodal Officer of the Company in accordance with the provisions of the IIEPF Rules.

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

Financial Year	Date of Declaration	Due date for transfer
2021-22 First Interim	5th August 2021	10th September 2028
2021-22 Second Interim	8th November 2021	14th December 2028
2021-22 Third Interim	11th February 2022	19th March2029
2021-22 Final	23rd September 2022	29th October 2029
2022-23 Interim	14th February 2023	22nd March 2030
2022-23 Final	18th August 2023	23rd September 2030
2023-24 Final	20th September 2024	27th October 2031
2024-25 Final	26th September 2025	31st October 2032

Report on Corporate Governance (Contd.)

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

The details of the unpaid / unclaimed amounts lying with the Company is available on the website of the Company at

https://pitti.in/investors/corporate-governance#Shareholder%20Request%20Forms%20%26%20Unclaimed%20Dividend/Other.

UNCLAIMED DIVIDEND AND EQUITY SHARES TRANSFERRED TO THE INVESTOR EDUCATION AND PROTECTION FUND

The Shareholders may claim their unclaimed dividend and the corresponding shares, from the IEPF Authority by making an online application to the IEPF authority in web form IEPF-5 as available on the website of the Ministry of Corporate Affairs www.mca.gov.in.

The form IEPF-5 should be filed online and the said form duly self-certified should be forwarded to the Company to furnish the E-Verification Report, in the prescribed format, to the IEPF authority. No claims shall lie against the Company in respect of the dividend/ shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Initiatives taken by IEPF Authority

The IEPF Authority launched a 100 day campaign, Saksham Niveshak in July 2025 to enhance investor awareness and expedite resolution of pending matters relating to unclaimed dividends, shares transferred to IEPF and updating of KYC & nomination details. In support of this initiative, the Company published newspaper advertisements urging Shareholders to update their KYC and claim their unclaimed dividend(s). The Company's RTA also conducted a special drive to process unclaimed dividends, enabling payment of multiple outstanding dividend(s) to Shareholders who updated their bank details.

EQUITY SHARES IN THE SUSPENSE ACCOUNT AND SUSPENSE ESCROW DEMAT ACCOUNT

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

Particulars	No. of shareholders	No. of shares
Aggregate number of shareholder and the outstanding shares lying in the unclaimed suspense account as on 1st April 2025	109	25000
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	4	800
Number of shareholders to whom the shares were transferred from the unclaimed suspense account during the year	4	800
Number of shareholders whose shares were transferred from unclaimed suspense account to IEPF account as per section 124 of the Companies Act, 2013	--	-
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31st March 2026	105	24200

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

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

COMPLIANCE CERTIFICATE OF THE AUDITORS

Certificate from the Company's Auditors Talati & Talati LLP, Chartered Accountants confirming compliance with conditions of Corporate Governance, as stipulated under Regulation 34 of the SEBI 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 2026.

For and on behalf of the Board of Directors

Sharad B Pitti
Founder & Chairman
DIN: 00078716

Place : Hyderabad
Date : 14th May 2026

Report on Corporate Governance (Contd.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
M/s Pitti Engineering Limited,

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Pitti Engineering Limited, having Corporate Identification Number L29253TG1983PLC004141 and has its Registered office at IVth Floor, Padmaja Land Mark, 6-3-648/401, Somajiguda, Hyderabad–500082, Telangana, India, (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I, hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Details of Directors :-

Sl. No.	Name	DIN	Date of appointment in the Company
1.	Akshay Sharad Pitti	00078760	14th October 2004
2.	Sharad Badrivishal Pitti	00078716	17th September 1983
3.	Vijaya Kumar Gummalla	00780356	5th February 2026
4.	Kemisha Soni	06805708	14th August 2024
5.	Vinod Nagururu Kumar	00121111	14th August 2024
6.	Priti Paras Savla	00662996	14th August 2024
7.	Yogender Bahadur Sahgal	01622420	9th November 2023

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

For **M/s.Saurabh Poddar & Associates**
Company Secretaries
FIRM UIN: S2012AP177700

Name: **Saurabh Poddar**
Designation: Proprietor
Membership No: FCS 9190
COP No: 10787
PR: 6415/2025 dated 07-02-2025
UDIN: F009190H000363610

Place: Hyderabad
Date: 14th May 2026

Report on Corporate Governance (Contd.)

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
Members of Pitti Engineering Limited

We, Talati & Talati LLP, Chartered Accountants, the Statutory Auditors of Pitti Engineering Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2026, as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibilities:

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

Auditor's Responsibilities:

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

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

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

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

Opinion:

Based on our examination of relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended 31st March 2026.

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

Restriction on Use:

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

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

CA Amit Shah
Partner
Membership Number: 122131
UDIN: 26122131TWXAAX7204

Place of Signature: Hyderabad
Date: 14th May 2026

Report on Corporate Governance (Contd.)

CEO / CFO CERTIFICATION

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

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

A. We have reviewed financial statements and the cash flow statement (Standalone and Consolidated) for the year ended 31st March 2026 and that to the best of our knowledge and belief, we state that:

  a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

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

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

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

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

  a) there are no significant changes in internal control over financial reporting during the year

  b) there are no significant changes, if any, in accounting policies during the year and

  c) there are no instances of significant fraud of which we have become aware.

Akshay S Pitti
MD & CEO
DIN: 00078760

M Pavan Kumar
Chief Financial Officer
M No.216936

Place: Hyderabad
Date: 14th May 2026

Independent Auditor's Report

To

The Members of

Pitti Engineering Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of Pitti Engineering Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31st March 2026, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in Equity and the Standalone Statement of Cash Flows, and notes to the Standalone Financial Statements for the year ended on the date and including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2026, its Profit including Other Comprehensive Income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the financial year ended 31st March, 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON:

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

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

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

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity including other comprehensive income, and cash flows 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (Contd.)

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial control with reference to standalone financials statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and

Independent Auditor's Report (Contd.)

belief were necessary for the purposes of our audit of the accompanying Standalone Financial Statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Financial Statements have been kept 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), the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as of 31st March, 2026, taken on record by the Board of Directors, none of the directors is disqualified as of 31st March, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

 i. The Company has disclosed the impact of pending litigations as at 31st March, 2026 on its financial position in its Standalone Financial Statements – Refer Note 25.2 to the Standalone Financial Statements;

 ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as on 31st March 2026;

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

(h) a. The management has represented that to the best of its knowledge and belief as disclosed in Note No: 25.22 (vii) to the Standalone Financial Statement, no funds has been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

 b. The management has represented, that, to the best of its knowledge and belief as disclosed in Note No: 25.22 (viii) to the Standalone Financial Statement, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

 c. Based on the such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(i) The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 8 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

(j) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are require to be commented upon by us.

Independent Auditor's Report (Contd.)

(k) Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended 31st March, 2026 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

CA Amit Shah
Partner
Membership Number: 122131
UDIN: 26122131WQLCJO6222

Place of Signature: Hyderabad
Date: 14/05/2026

Annexure A to the Independent Auditor's Report

Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Pitti Engineering Limited on the Standalone Financial Statements as on 31st March, 2026 we report that:

i. a) (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of property plant and equipment and right of use assets.

(B) The Company is maintaining proper records showing full particulars of intangible assets.

b) The Company has a program of verification of property, plant and equipment, investment property, right of use asset and capital work in-progress to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant, and equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the Note 2A of Standalone Financial Statements are held in the name of the Company.

d) The Company has not revalued its Property, Plant and Equipment (and Right of Use Assets) or Intangible assets, or both during the year. Accordingly, reporting under Clause 3(i)(d) of the Order is not applicable to the company.

e) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transaction (Prohibition) Act, 1988. Accordingly, reporting under Clause 3(i)(e) of the Order is not applicable to the Company.

ii. a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency, coverage and procedure of such verification by the management is appropriate and discrepancies of 10% or more in the aggregate for each class of inventory noticed were dealt with properly in the books of accounts.

b) The Company has been sanctioned working capital limits of over five crore rupees, in aggregate, from banks and financial institutions based on the security of current assets; the quarterly returns or statements have been filed by the Company as per the terms of sanction letter with such banks or financial institutions are in agreement with the books of accounts of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records, The Company has made an investment in equity share of S.V. Co-operative Bank Limited amounting to ₹ 4.95 Lakhs during the year . The Company has not provided any guarantee or security or granted any advance in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted a loan to its wholly owned subsidiary, Pitti Industries Private Limited, the same is disclosed in the table below. Further, the Company has not given any advance in the nature of loans to any parties during the year.

a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

	Loans (₹ in lakhs)
Aggregate amount provided during the year	
- Subsidiaries	16,885.00
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	3,900.00

b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees or security or granted any advances in the nature of loans during the year.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally regular as per stipulation.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

Annexure A to the Independent Auditor's Report (Contd.)

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.

f) According to the information and explanations given to us and on the basis of our examination of the records, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

iv. According to the information and explanations given to us and based on our audit, the company has not given any loans or guarantees, and has not made any investments to which the provisions of Sections 185 are applicable. The company has complied with the provisions of Section 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under Clause 3(v) of the Order is not applicable to the Company.

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

vii. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) Details of dues of Income Tax, Excise Duty and Goods and Service Tax which has not been deposited as of 31st March, 2026, on account of dispute are given below:

Sr. No.	**Name of statute**	**Nature of Dues**	**Amount in (INR in Lakhs)**	**Amount Paid under Protest (INR in Lakhs)**	**Period to which the amount relates**	**Forum where the dispute is pending**
1	Central Excise Act, 1944	Excise Duty	185.12	-	Financial Year 2008-09 & 2010-11	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
2	CGST Act, 2017	Goods and Service Tax	21.08	1.00	Financial Year 2017-18	Joint Commissioner
3	CGST Act, 2017	Goods and Service Tax	13.68	0.68	Financial Year 2016-17 to 2021-22	Additional/joint commissioner (commercial tax)
4	CGST Act, 2017	Goods and Service Tax	117.96	23.60	Financial Year 2018-19	Appellate joint commissioner
5	Income Tax Act, 1961	Income Tax	8.19	2.89	Assessment Year 2019-20	Commissioner of Income Tax, Hyderabad
6	Income Tax Act, 1961	Income Tax	134.85	-	Assessment Year 2024-25	Commissioner of Income tax, Hyderabad

Annexure A to the Independent Auditor's Report

viii. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, reporting under Clause 3(viii) of the Order is not applicable to the Company.

ix. a) According to the information and explanations given to us and based on our examination of the records, during the period the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations are given to us, the Company has not been declared a willful defaulter by any bank or financial institution or any other lenders.

c) According to the information and explanations given to us and based on the examination of records of the Company, Term loans were applied for the purpose for which the loans were obtained.

d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, no funds raised on short term basis have been used for long term purpose by the Company

e) According to the information and explanations given to us on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or a person on account of or to meet the obligations of its subsidiary

f) According to the information and explanations given to us and based on the examination of records of the Company, the Company has not raised loans during the year on the pledge of the securities held in its subsidiary.

x. a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable to the Company.

b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares and has not raised funds by way of issue of fully, partly or optionally convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

xi. a) According to the information and explanations given to us and based on our examination of the records of the Company, based upon the audit procedures performed, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year. Accordingly, reporting under Clause 3(xi)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records during the year, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.

c) According to the information and explanations are given to us, there were no whistle-blower complaints received during the year by the Company. Accordingly, the requirement to report on Clause 3(xi)(c) of the Order is not applicable to the Company.

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the note no 25.8 of the notes to the Standalone Financial Statements as required by the applicable accounting standards.

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

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

xv. According to the information and explanations given to us and based on our examination of the records of the

Annexure A to the Independent Auditor's Report (Contd.)

Company, the Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on Clause 3(xv) of the Order is not applicable to the Company.

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

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

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

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the group does not have core investment Company. Accordingly, the requirement to report on Clause 3(xvi)(d) of the Order is not applicable to the Company.

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

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

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

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

xxi. The requirements of clause 3(xxi) of the order is not applicable to the standalone financial statements.

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

CA Amit Shah
Partner
Membership Number: 122131
UDIN: 26122131WQLCJO6222

Place of Signature: Hyderabad
Date: 14/05/2026

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under the heading "Report on other Legal and Regulatory Requirements" of our report to the members of Pitti Engineering Limited on the Standalone Financial Statements as on 31st March, 2026)

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

We have audited the internal financial controls over financial reporting of **Pitti Engineering Limited** ("the Company") as of 31st March 2026 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with the authorizations of management and directors of the Company; and;

(3) Provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

Annexure B to the Independent Auditor's Report (Contd.)

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at 31st March 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

CA Amit Shah
Partner
Membership Number: 122131
UDIN: 26122131WQLCJO6222

Place of Signature: Hyderabad
Date: 14/05/2026

Standalone Balance Sheet

as at 31st March 2026

₹ in lakhs

Particulars	Notes	As at 31st March 2026	As at 31st March 2025
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	76,835.80	67,153.81
(b) Capital work-in-progress		4,184.32	6,047.06
(c) Intangible assets	2B	564.58	781.98
(d) Capital work-in-progress-Intangible		-	8.31
(e) Right -of- use assets	2C	12,354.16	11,373.00
(f) Financial assets			
(i) Investments	3A	25,824.14	25,765.91
(ii) Other financial assets	3B	1,064.06	1,104.36
(g) Other non-current assets	4	2,617.53	3,830.11
TOTAL NON - CURRENT ASSETS		**1,23,444.59**	**1,16,064.54**
CURRENT ASSETS			
(a) Inventories	5	36,578.30	31,354.32
(b) Financial assets			
(i) Investments	6A	1.62	1.16
(ii) Trade receivables	6B	17,621.22	22,785.88
(iii) Cash and cash equivalents	6C	7,399.20	6,728.70
(iv) Other bank balances	6D	2,727.44	4,080.13
(v) Other financial assets	6E	3,346.58	2,115.98
(c) Other current assets	7	14,484.98	12,273.29
TOTAL CURRENT ASSETS		**82,159.34**	**79,339.46**
TOTAL ASSETS		**2,05,603.93**	**1,95,404.00**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,883.10	1,883.10
(b) Other equity	9	93,252.45	86,499.96
TOTAL EQUITY		**95,135.55**	**88,383.06**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	38,081.32	28,127.15
(ii) Lease liability	10 B	7,346.95	8,245.92
(iii) Other financial liabilities		1.68	0.36
(b) Provisions	11	2,166.97	2,385.18
(c) Deferred tax liabilities(net)	12	1,225.77	389.84
TOTAL NON-CURRENT LIABILITIES		**48,822.69**	**39,148.45**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	31,803.35	29,717.53
(ii) Lease liability	13B	3,274.32	2,588.87
(iii) Trade payables	13C		
Dues to micro and small enterprises		483.60	350.48
Dues to other than micro and small enterprises		22,117.88	31,183.06
(iv) Other financial liabilities	13D	2,155.18	2,433.97
(b) Other current liabilities	14	737.80	922.65
(c) Provisions	15	539.04	613.88
(d) Income tax liabilities (net)	16	534.52	62.05
TOTAL CURRENT LIABILITIES		**61,645.69**	**67,872.49**
TOTAL EQUITY AND LIABILITIES		**2,05,603.93**	**1,95,404.00**

Material accounting policies and the accompanying notes 1 to 25 are an integral part of the standalone financial statements.

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN: 00078716

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

Y B Sahgal
Independent Director
DIN: 01622420

Amit Shah
Partner
M. No: 122131

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Standalone Statement of Profit and Loss

for the year ended 31st March 2026

₹ in lakhs

Particulars	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
INCOME			
Revenue from operations	17	1,59,001.01	1,52,454.81
Other income	18	3,889.17	3,841.00
TOTAL INCOME		**1,62,890.18**	**1,56,295.81**
EXPENSES			
Cost of materials consumed	19	92,127.36	94,425.08
Purchase of stock-in-trade		4,625.47	-
Changes in inventories of work-in-process, finished goods and scrap	20	(3,572.31)	(3,632.46)
Employee benefits expenses	21	13,757.67	11,746.08
Finance costs	22	8,284.61	6,759.32
Depreciation and amortisation expenses	2	9,756.06	7,693.09
Other expenses	23	23,880.53	25,255.68
TOTAL EXPENSES		**1,48,859.39**	**1,42,246.79**
Profit before tax		**14,030.79**	**14,049.02**
TAX EXPENSES	24		
(a) Current tax		3,496.47	3,266.35
(b) Tax relating to earlier years		(106.64)	(94.15)
(c) Deferred tax		888.41	193.35
TOTAL TAX EXPENSES		**4,278.24**	**3,365.55**
Profit for the period		**9,752.55**	**10,683.47**
Other comprehensive income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		164.16	2.51
Income tax relating to items that will not be reclassified subsequently to profit or loss		(41.32)	(0.63)
(ii) Items that will be reclassified subsequently to profit or loss			
Fair value Changes of Cashflow Hedges		(372.68)	-
Income Tax relating to items that will be reclassified subsequently to profit or loss		93.80	-
Total other comprehensive income		**(156.04)**	**1.88**
Total Comprehensive Income		**9,596.51**	**10,685.35**
Earnings per share of face value of ₹ 5/- each	25.1		
(a) Basic (₹)		26.30	29.11
(b) Diluted (₹)		26.30	29.11

Material accounting policies and the accompanying notes 1 to 25 are an integral part of the standalone financial statements.

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN: 00078716

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

Y B Sahgal
Independent Director
DIN: 01622420

Amit Shah
Partner
M. No: 122131

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Standalone Statement of Changes in Equity

for the year ended 31st March 2026

(A) EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Note No.	Amount
Balance as at 1st April 2024		1,602.92
Changes in equity share capital during the year		280.18
Balance as at 31st March 2025	8	1,883.10
Balance as at 1st April 2025		1,883.10
Changes in equity share capital during the year		-
Balance as at 31st March 2026	**8**	**1,883.10**

(B) INSTRUMENT ENTIRELY EQUITY IN NATURE

₹ in lakhs

Particulars	Note No.	Amount
Balance as at 1st April 2024		109.44
Changes in equity share capital during the year		(109.44)
Balance as at 31st March 2025	8	-
Balance as at 1st April 2025		-
Changes in equity share capital during the year		-
Balance as at 31st March 2026	**8**	**-**

(C) OTHER EQUITY

₹ in lakhs

Particulars	Reserves and Surplus							Items of other comprehensive income			
	Securities premium	Capital reserve	General reserve	Retained Earnings	Share based payment reserve	ESOP Trust reserve	Treasury shares	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Cashflow Hedge reserve	Total Other Equity
Balance as at 1st April 2024	8,106.46	12,055.29	750.48	25,255.34	-	-	-	(187.81)	(400.04)	-	45,579.72
Profit/(loss) for the year	-	-	-	10,683.47	-	-	-	-	-	-	10,683.47
Actuarial gain / (loss)	-	-	-	-	-	-	-	-	1.88	-	1.88
Total comprehensive income for FY 2024-25											**10,685.35**
Dividends	-	-	-	(531.97)	-	-	-	-	-	-	(531.97)
Premium on equity shares issued during the year	35,829.25	-	-	-	-	-	-	-	-	-	35,829.25
Adjusted against share issue expenses	(1,122.77)	-	-	-	-	-	-	-	-	-	(1,122.77)
Share based payment expense	-	-	-	-	58.52	-	-	-	-	-	58.52
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(3,998.14)	-	-	-	(3,998.14)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	**42,812.94**	**12,055.29**	**750.48**	**35,406.84**	**58.52**	**-**	**(3,998.14)**	**(187.81)**	**(398.16)**	**-**	**86,499.96**
Balance as at 1st April 2025	42,812.94	12,055.29	750.48	35,406.84	58.52	-	(3,998.14)	(187.81)	(398.16)	-	86,499.96
Profit/(loss) for the year	-	-	-	9,752.55	-		-	-	-	-	9,752.55
Cashflow Hedge	-	-	-	-	-	-	-	-	-	(278.88)	(278.88)
Actuarial gain / (loss)	-	-	-	-	-	-	-	-	122.84		122.84
Total comprehensive income for FY 2025-26											**9,596.51**
Dividends	-		-	(564.80)	-	-	-	-	-	-	(564.80)
Share based payment expense	-	-	-	-	1,025.53	-		-	-	-	1,025.53
Net income of ESOP Trust for the year						5.92					5.92
Purchase of Treasury shares by ESOP trust during the year	-	-	-	-	-	-	(3,310.67)	-	-	-	(3,310.67)
Transfer to retained earnings	-		-	-	-	-	-	-	-	-	-
Balance as at 31st March 2026	**42,812.94**	**12,055.29**	**750.48**	**44,594.59**	**1,084.05**	**5.92**	**(7,308.81)**	**(187.81)**	**(275.32)**	**(278.88)**	**93,252.45**

Material accounting policies and the accompanying notes 1 to 25 are an integral part of the standalone financial statements.

As per our report of even date

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

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

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Founder & Chairman
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DIN: 00078760

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Independent Director
DIN: 01622420

Amit Shah
Partner
M. No: 122131

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Standalone Statement of Cash Flows

for the year ended 31st March 2026

₹ in lakhs

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	**14,030.79**		**14,049.02**	
Adjusted for				
Depreciation and amortisation expenses	9,756.06		7,693.09	
Interest income	(452.51)		(774.82)	
Credit risk impaired	8.08		26.11	
Credit risk allowance	(11.92)		1.67	
(Gain) / Loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	21.06		(8.80)	
(Gain)/ Loss on lease modification	-		(1.88)	
Re-measurement gains/(losses) on employee defined benefit plans	164.16		2.51	
Re-measurement gains/(losses) on investments	(0.46)		(0.07)	
Fair value of Changes in Cashflow Hedge	(372.68)		-	
Unrealised foreign exchange differences	465.00		68.95	
Finance costs	8,284.61		6,759.32	
Share based payment expense (net)	972.27		55.54	
Dividend income	(0.02)		(0.02)	
Other non cash adjustment	59.19	32,923.63	2.97	27,873.59
Operating profit before working capital changes		**32,923.63**		**27,873.59**
Working capital changes adjusted for				
Trade & other receivables	1,837.90		(4,215.70)	
Inventories	(5,223.98)		(2,631.09)	
Trade and other payables	(11,747.49)		8,665.10	
		(15,133.57)		**1,818.31**
Cash generated from operations		**17,790.06**		**29,691.90**
Direct taxes paid		(2,917.36)		(3,546.93)
Cash flow before extraordinary items		**14,872.70**		**26,144.97**
Net cash flow from operating activities - (A)		**14,872.70**		**26,144.97**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Investments		(58.23)		(25,765.76)
Purchase of property, plant & equipment and intangibles		(14,274.21)		(30,245.98)
Advances to property, plant & equipment and intangibles		1,052.30		3,016.42
Right of Use of Assets		(2,806.86)		(4,272.65)
Proceeds from sale of property, plant & equipment		210.27		719.52
Dividend income received		0.02		0.02
Interest income received		508.65		782.33
Net cash used in investing activities - (B)		**(15,368.06)**		**(55,766.10)**

Standalone Statement of Cash Flows

for the year ended 31st March 2026 (Contd.)

₹ in lakhs

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares (net of issue expenses)	-		34,685.89	
Proceeds from ESOP Trust/(Purchase) of treasury shares by ESOP Trust (net)	(3,310.67)		(3,998.14)	
Cash payments for principal portion of lease liability	149.31		2,931.80	
Cash payments for interest portion of lease liability	(362.83)		(60.37)	
Proceeds from borrowings - noncurrent (including current maturities)	28,482.69		24,488.26	
Repayment of borrowings - noncurrent (including current maturities)	(15,649.15)		(21,276.20)	
Proceeds/(repayments) of short-term borrowings (Net)	(793.55)		(178.06)	
Finance charges	(8,141.05)		(6,736.98)	
Long Term Deposits received	1.32		-	
Term deposits with financial institutions	1,354.59		(678.93)	
Payment of dividend	(562.90)		(529.17)	
Unclaimed dividend	(1.90)		(2.80)	
		1,165.86		**28,645.30**
Net cash used in finance activities - (C)		**1,165.86**		**28,645.30**
Net increase/(decrease) in cash & cash equivalents (A+B+C)		**670.50**		**(975.83)**
Opening balance in cash and cash equivalents		**6,728.70**		**7,704.53**
Closing balance in cash and cash equivalents		**7,399.20**		**6,728.70**
Components of cash and cash equivalents:				
Cash on hand		4.24		3.12
Balances with banks				
Current accounts		6,099.56		3,476.60
EEFC accounts		1,295.40		3,248.98
Total cash and cash equivalents		**7,399.20**		**6,728.70**

Material accounting policies and the accompanying notes 1 to 25 are an integral part of the standalone financial statements.

As per our report of even date

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

For **Talati & Talati LLP**
Chartered Accountants
Firm's Registration Number:
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Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
M. No: F5532

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Notes to Standalone Financial Statements

for the year ended 31st March 2026

NOTE 1: CORPORATE INFORMATION & MATERIAL ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Pitti Engineering Limited ("The Company") is a public Company incorporated in India. The registered office of the Company is located at 4th floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, Telangana, India. Its shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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

1.2 MATERIAL ACCOUNTING POLICIES

1.2.1 STATEMENT OF COMPLIANCE

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

Company's standalone financial statements are presented in Indian Rupees (₹) which is also its functional currency, and all values are rounded to the nearest lakhs (₹ 00000) except when otherwise indicated.

The standalone financial statement of the Company for the year ended 31st March 2026 were approved for issue in accordance with the resolution of the Board of Directors on 14th May 2026.

1.2.2 PREPARATION OF STANDALONE FINANCIAL STATEMENTS

(a) Basis of Accounting

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability the 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 standalone 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 realisable value in Ind AS 2.

(b) Significant accounting judgments estimates and assumptions

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

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

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

(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 realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period or

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

(iv) it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

1.2.3A. PROPERTY PLANT AND EQUIPMENT

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

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

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

The Company does not recognise in the carrying amount of an item of property, plant & equipment the cost of day-to-day servicing of the item. Rather these costs are recognised in Profit & Loss as incurred. Costs of day-to-day servicing are primarily the costs of labour and consumables and may include the cost of small parts. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the item of property, plant and equipment.

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

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

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

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

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

Property plant and equipment are eliminated from standalone 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 recognised 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 recognised in the statement of profit and loss in the year in which it is incurred.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

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

Category of Assets	Estimated useful live as assessed by the Management	Useful lives as per Schedule II to the Act
Factory Building	3-30 years	30 years
Leasehold Building	3-30 years	30 years
Furniture and Fixtures	1-14 years	10 years
Patterns Match Plates	2-10 years	15 years
Plant & Machinery	1-20 years	15 years
Electricals	1-30 years	10 years
Office Equipment	2-15 years	5 years
Lab & Test Equipment	2-10 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	8 years	10 years
Vehicles-Motor Cars	2-10 years	8 years
Computers – Servers	3-6 years	6 years
Computers – Desktops	2-8 years	3 years
Tools	12-15 years	15 years
Computer Software	3-10 years	3 years

B. INTANGIBLE ASSETS

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

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

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

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

Development expenditures on an individual product/project are recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that the asset will be available for use or sale its intention to complete and use or sell the asset its ability to use or sell the asset how the asset will generate future economic benefits the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

Product development cost is amortised on a straight-line basis over a period of 60 months.

Subsequent cost

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

De-recognition

An item of property plant and equipment and any significant part initially recognised is derecognised 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 derecognised.

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 recognised in the statement of profit and loss when the asset is derecognised.

1.2.4IMPAIRMENT OF NON-FINANCIAL ASSETS

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

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

Assessment of 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 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

1.2.5 REVENUE RECOGNITION

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

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

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

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

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

(a) Interest income

Interest Income from financial asset is recognised 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 recognised 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 incomes is recognised when a reasonable certainty as to its realisation exists.

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

1.2.6 INVESTMENTS

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

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

Investments are classified into current and non-current investments. Investments that are readily realisable 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 realised within twelve months from Balance Sheet date is also presented under "Current Investment" under "Current portion of long term investments" in consonance with the current / non-current classification of Schedule III of the Act.

1.2.7 INVENTORIES

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

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

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

(c) The cost of inventories is computed to include cost of purchases net of discount and rebates and includes, cost of conversion standard overheads and other related cost incurred in bringing the inventories to their present condition excludes GST eligible for credit / setoff.

(d) Net realisable 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.

1.2.8 CASH AND CASH EQUIVALENTS

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

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

1.2.9 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

Net gain or loss on foreign currency translations on trade receivables and trade payables is classified under other income or other expenses.

(a) Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised 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 recognised in the Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of the transaction.

1.2.10 EMPLOYEE BENEFITS

Short-term employee benefits

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

Post-employment benefits

Defined Contribution Plan

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

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

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

Defined Benefit Plan

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

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

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

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

Leave Encashment: In accordance with applicable Indian Laws the 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.

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

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

(ii) The date that the Company recognises related restructuring costs

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

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

(ii) Net interest expense or income

Termination Benefits

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

Employee Share based payments

The Company operates equity settled share-based plan for the employees (Referred to as Employee Stock Option Plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (Share based payment reserve). At the end of each reporting period, the Company revises its estimate of the number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustment to the Share option outstanding reserve.

The Company grants stock options to the employees of its subsidiaries. The cost of such options, as determined based on the fair value on the grant date, is accounted for as an employee benefit expense in the books of the Company. Since the Company does not recover this cost from its subsidiaries, the corresponding amount is treated as a deemed investment in the respective subsidiaries.

Treasury Shares

The Company has established the Pitti Engineering Limited Employee Welfare Trust for administering its Employee Stock Option Scheme and provided a loan to the Trust for acquiring the Company's shares from the secondary market, of which shares were purchased during the year. As the Trust is considered an extension of the Company, all transactions between the Company and the Trust including the loan and the investment in shares have been eliminated in the standalone financial statements, and the shares held by the Trust have been treated as treasury shares. These shares are recognised at cost and is disclosed separately as reduction from Other Equity as Treasury Shares. No gain or loss is recognised in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of Treasury Shares.

1.2.11BUSINESS COMBINATION

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after adjusting necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appear in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

1.2.12BORROWING COSTS

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

Borrowing cost includes interest amortisation of ancillary costs incurred in connection with the arrangement of

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost if any.

1.2.13LEASES

The Company as a lessee

As per Ind AS-116 the Company has recognised lease liabilities and corresponding equivalent right-of-use assets. The Company's lease asset primarily consist of leases for land, buildings, plant & machinery and vehicles. The Company assesses whether a contract contains a lease at inception of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset the Company assesses whether

(i) The contract involves the use of an identified asset.

(ii) The Company has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) The Company has the right to direct the use of the asset

At the date of commencement of the lease the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases the Company recognises the lease payments on straight line basis as an operating expense in profit and loss account.

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

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

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

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

1.2.14EARNINGS 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 the weighted average number of equity shares outstanding during the year, adjusted with treasury shares.

For 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. After considering the number of options as per Scheme, The effect is antidilution, hence there is no change in diluted earning per share.

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

1.2.15SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.6 for the segment information presented.

1.2.16PROVISIONS 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.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

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.

1.2.17TAXATION

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

The Company has adopted and effected the reduced corporate tax rate permitted under section 115BAA of the Income Tax Act, 1961 as per the Taxation Laws (Amendment) Ordinance, 2019. The tax calculations for the year ended 31st March 2026 have been made accordingly.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilised.

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

1.2.18FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

(i) Debt instruments at amortised 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 Amortised Cost

A 'debt instrument' is measured at the amortised 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 amortised 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 recognised 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.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

If the Company decides to classify an equity instrument as at FVTOCI then all fair value changes on the instrument excluding dividends are recognised 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 derecognised 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 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.

Impairment of Financial Assets

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement

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

All financial liabilities are recognised 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 amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

Derivative Financial Instrument and Hedge Accounting

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

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange relating to Imports and Exports. The instruments are confined principally to forward foreign exchange contracts and options stratagies. The instruments are employed as hedges of transactions included in the financial statements

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond twelve months.

Derivative financial instruments are initially recognised at fair value on the date of the contract and are subsequently remeasured at fair value at each reporting date Derivatives are recognised as financial assets or liabilities based on their fair value.

The mark-to-market (MTM) gains or losses on derivatives are recognised in the Statement of Profit and Loss at each reporting date, except where hedge accounting is applied.

The Company designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges. Hedge relationships are formally documented at inception and effectiveness is assessed on an ongoing basis.

Cash Flow Hedge

The effective portion of changes in fair value is recognised in Other Comprehensive Income and accumulated in equity. The ineffective portion is recognised in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to profit or loss when the hedged item affects profit or loss.

Fair Value Hedge

Changes in fair value of both the hedging instrument and the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss.

Derivatives not Designed as hedges

These are measured at fair value through profit or loss, with all changes in fair value recognised in the Statement of Profit and Loss

Hedge accounting is discontinued when the hedging relationship ceases to qualify, and the accounting treatment thereafter follows Ind AS 109.

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 standalone 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 realisable value in Ind AS 2.

Levels of Risk in Fair Value Measurement

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

Level 2 - The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

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

1.2.19EXCEPTIONAL ITEM

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

1.2.20GOVERNMENT GRANT

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

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

1.2.21RECENT ACCOUGING PRONOUNCEMENT

Ministry of Corporate Affairs ("MCA") has notified amendments to the existing standards Ind AS 1 – Presentation of financial statements relating to classification of liabilities as current or non-current subject to covenants, Ind AS 12 – Income Taxes relating to international tax reforms – Pillar Two Model Rules, Ind AS 21 – the effect of changes in foreign exchange rates and Ind AS 107 – Financial Instruments: Disclosures applicable from 1st April 2025. The Company has assessed that there is no significant impact on its financial statements with respect to the amendments in Ind AS 1, Ind AS 21 and Ind AS 12. The Company has evaluated and provided disclosure with respect to supplier financing arrangements in note no.25.7 (B).

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE : 2

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

₹ in lakhs

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April 2025	Additions	Deletions	Adjustments	As at 31st March 2026	As at 1st April 2025	For the year	Deletions	Adjustments	As at 31st March 2026	As at 31st March 2026	As at 31st March 2025
Property, plant & equipment												
Land	4,474.30	690.42	-	-	5,164.72	-	-	-	-	-	5,164.72	4,474.30
Factory building												
- on Own premises	18,300.76	2,604.96	-	-	20,905.72	2,175.95	773.78	-	-	2,949.73	17,955.99	16,124.81
- on Lease hold property	1,459.43	1.66	-	-	1,461.09	921.32	55.00	-	-	976.32	484.77	538.11
Office building												
- on Lease hold property	179.62	10.32	-	-	189.94	28.43	16.56	-	-	44.99	144.95	151.19
Plant & equipment*	67,158.05	10,397.71	(436.64)	457.73	77,576.85	30,104.74	5,229.34	(340.09)	225.88	35,219.87	42,356.98	37,053.31
Tools	7,819.00	2,425.96	(332.96)	-	9,912.00	1,697.86	1,206.31	(282.21)	-	2,621.96	7,290.04	6,121.14
Patterns, match plates & mould box	628.90	60.52	(27.42)	-	662.00	326.90	81.67	(27.42)	-	381.15	280.85	302.00
Office equipment	759.03	857.15	(12.36)	-	1,603.82	380.42	134.46	(12.07)	-	502.81	1,101.01	378.61
Furniture & fixtures	651.81	386.89	-	-	1,038.70	321.42	70.86	-	-	392.28	646.42	330.39
Other-computers	599.68	72.71	(108.51)	-	563.88	385.62	89.75	(103.15)	-	372.22	191.66	214.06
Vehicles	1,899.35	27.31	(102.29)	-	1,824.37	433.46	215.64	(43.14)	-	605.96	1,218.41	1,465.89
Sub Total	**1,03,929.93**	**17,535.61**	**(1,020.18)**	**457.73**	**1,20,903.09**	**36,776.12**	**7,873.37**	**(808.08)**	**225.88**	**44,067.29**	**76,835.80**	**67,153.81**
Capital work in progress	6,047.06	18,519.37		(20,382.11)	**4,184.32**						**4,184.32**	**6,047.06**

During the current year ₹ Nil (Previous year ₹ 410.81 lakhs) interest capitalised on term loans.

Capital work in progress ageing schedule

₹ in lakhs

Particulars	As at 31st March 2026					As at 31st March 2025				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	3,644.39	505.62	34.31	-	4,184.32	5,889.01	151.93	6.12	-	6,047.06
Projects temporarily suspended					-	-	-	-	-	-
Total	**3,644.39**	**505.62**	**34.31**	**-**	**4,184.32**	**5,889.01**	**151.93**	**6.12**	**-**	**6,047.06**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE : 2B INTANGIBLE ASSETS

₹ in lakhs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1st April 2025	Additions	Deletions	Adjustments	As at 31st March 2026	As at 1st April 2025	For the year	Deletions	Adjustments	As at 31st March 2026	As at 31st March 2026	As at 31st March 2025
Computer software	**943.37**	**85.83**	**(287.86)**	**-**	**741.34**	**605.99**	**69.60**	**(273.47)**	**-**	**402.12**	**339.22**	**337.38**
Product development expenses	2,537.36	-	-	-	2,537.36	2,092.76	219.24	-	-	2,312.00	225.36	444.60
Sub Total	**3,480.73**	**85.83**	**(287.86)**	**-**	**3,278.70**	**2,698.75**	**288.84**	**(273.47)**	**-**	**2,714.12**	**564.58**	**781.98**
Capital work in progress	8.31	-	-	(8.31)	**-**						**-**	**8.31**

Capital work in progress ageing schedule - Intangible

₹ in lakhs

Particulars	As at 31st March 2026					As at 31st March 2025				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-	8.31	-	-	-	8.31
Projects temporarily suspended		-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**8.31**	**-**	**-**	**-**	**8.31**

NOTE: 2C RIGHT OF USE ASSETS

₹ in lakhs

Particulars	Gross Block					Depreciation					Net Block	
	As at 1st April 2025	Additions	Deletions	Adjustments	As at 31st March 2026	As at 1st April 2025	For the year	Deletions	Adjustments	As at 31st March 2026	As at 31st March 2026	As at 31st March 2025
Land	227.69	-	-	-	227.69	107.28	17.86	-	-	125.14	102.55	120.41
Building	2,607.45	37.78	-	-	2,645.23	862.50	161.06	-	-	1,023.56	1,621.67	1,744.95
Plant and machinery*	11,818.75	2,769.08	-	(457.73)	14,130.10	2,359.19	1,402.19	-	(225.88)	3,535.50	10,594.60	9,459.56
Vehicles	114.27	-	-	-	114.27	66.19	12.74	-	-	78.93	35.34	48.08
Subtotal	**14,768.16**	**2,806.86**	**-**	**(457.73)**	**17,117.29**	**3,395.16**	**1,593.85**	**-**	**(225.88)**	**4,763.13**	**12,354.16**	**11,373.00**
Grand total (A+B+C) excluding CWIP	**1,22,178.82**	**20,428.30**	**(1,308.04)**	**-**	**1,41,299.08**	**42,870.03**	**9,756.06**	**(1,081.55)**	**-**	**51,544.54**	**89,754.54**	**79,308.79**
Previous year	82,945.48	41,282.96	-	(2,049.62)	1,22,178.82	36,492.41	7,693.09	-	(1,315.47)	42,870.03	79,308.79	46,453.07

* Adjustment pertains to derecognition of right-of-use (ROU) asset and recognition of property plant and equipment.

Note : For security / mortgage, refer notes 10A & 13A

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 3A : INVESTMENTS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Investment with wholly owned subsidiary (Unquoted)		
Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited)		
Equity Shares	**10,450.41**	**10,450.41**
30,94,200 (previous year - 30,94,200) equity shares at face value ₹ 10/- each		
Dakshin Foundry Private Limited		
Equity Shares		
17,50,000 (previous year- 17,50,000) equity shares at face value ₹ 100/- each	15,312.50	15,312.50
Investment with others (Unquoted)		
Equity Shares (measured at cost)		
Saraswat Co-Operative Bank Limited 50 (previous year 50) Equity Shares of ₹ 10/- each	0.01	0.01
S.V. Co-operative Bank Ltd 49,700 (Previous year 250) Equity Shares of ₹ 10/- each	4.97	0.02
Deemed Investment*		
Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited)	30.04	1.30
Dakshin Foundry Private Limited	26.21	1.67
TOTAL	**25,824.14**	**25,765.91**
(a) Aggregate carrying value of quoted investment	-	-
(b) Aggregate market value of quoted investment	-	-
(c) Aggregate carrying value of unquoted investment	25,824.14	25,765.91
(d) Aggergate amount of impairment in value of investment.	-	-

* Deemed Investment due to implementation of ESOP Scheme

NOTE 3B : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Term deposits with finacial institutions	-	550.44
Inter Corporate Deposits Receivable from Related Party (Note)	1,000.00	500.00
Security Deposits:		
With Lessor	46.34	36.66
With Suppliers	17.72	17.26
TOTAL	**1,064.06**	**1,104.36**

Note :

As at 31st March 2026

₹ in lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹ in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	1,000.00	100.00%

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 3B : OTHER FINANCIAL ASSETS (CONTD.)

As at 31st March 2025

₹ in lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹ in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	500.00	100.00%

NOTE 4 : OTHER NON CURRENT ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Capital advance for Property, Plant and Equipment	2,138.61	3,190.91
Prepaid expenses - Rent Deposits	-	37.24
Gold Coins	1.49	1.49
Deposits:		
With Government Bodies	477.43	600.47
TOTAL	**2,617.53**	**3,830.11**

NOTE 5 : INVENTORIES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
(At lower of cost or Net realisable value)*		
Raw Material	17,069.80	15,717.54
Material in Transit - Raw Material	184.78	337.88
Work in process	10,962.13	7,653.64
Finished Goods	4,524.68	4,200.42
Stores and Spares	3,809.08	3,356.57
Scrap	27.83	88.27
TOTAL	**36,578.30**	**31,354.32**

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

Note : For security / hypothecation, refer note 10A & 13A.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 6A : INVESTMENTS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Lmited	1.58	1.12
1,000 (Previous year 1,000) Equity Shares at face value of ₹ 10/- each		
Presented as per Fair Market Value as per Ind AS Requirement		
II. Unquoted		
Saraswat Co-operative Bank Limited	0.01	0.01
50 (Previous year 50) Equity Shares at face value of ₹ 10/- each		
S.V. Co-operative Bank Limited	0.03	0.03
250 (Previous year 250) Equity Shares at face value of ₹ 10/- each		
TOTAL	**1.62**	**1.16**
(a) Aggregate carrying value of quoted investment	1.58	1.12
(b) Aggregate market value of quoted investment	1.58	1.12
(c) Aggregate carrying value of unquoted investment	0.04	0.04
(d) Aggergate amount of impairment in value of investment.	-	-

NOTE 6B : TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables considered good - Secured*	1,276.05	1,289.37
Trade Receivables considerd good - Unsecured**	16,387.32	21,532.54
Trade Receivables - credit impaired	8.08	26.11
Total	**17,671.45**	**22,848.02**
Less : Allowance for Credit losses	50.23	62.14
TOTAL	**17,621.22**	**22,785.88**

*Sales against Letter of Credit

**Trade Receivable includes amount receivable from Related Parties, for details please refer note no: 25.8.

Trade Receivables ageing schedule for the year ended 31 st March 2026

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	13,569.82	4,011.73	37.12	-	-	44.70	**17,663.37**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables — credit impaired	-	0.17	3.14	3.98	-	0.79	**8.08**
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	**-**
Total Trade Receivables	**13,569.82**	**4,011.90**	**40.26**	**3.98**	**-**	**45.49**	**17,671.45**
(vii) Less : allowances for Credit losses	-	-	1.71	3.59	-	44.93	**50.23**
Total	**13,569.82**	**4,011.90**	**38.55**	**0.39**	**-**	**0.56**	**17,621.22**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 6B : TRADE RECEIVABLES (CONTD.)

Trade Receivables ageing schedule for the year ended 31st March 2025

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables — considered good	18,704.11	4,069.96	1.55	-	-	46.29	**22,821.91**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables — credit impaired	-	-	3.15	3.50	19.46	-	**26.11**
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	**-**
Total Trade Receivables	18,704.11	4,069.96	4.70	3.50	19.46	46.29	**22,848.02**
(vii) Less : allowances for Credit losses	-	11.90	3.52	1.37	0.51	44.84	**62.14**
Total	**18,704.11**	**4,058.06**	**1.18**	**2.13**	**18.95**	**1.45**	**22,785.88**

NOTE 6C : CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Cash on hand	4.24	3.12
Balances with banks		
Current Accounts	6,099.56	3,476.60
EEFC Accounts	1,295.40	3,248.98
TOTAL	**7,399.20**	**6,728.70**

NOTE 6D : OTHER BANK BALANCES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account	14.90	13.00
Balance with Kotak securities Limited	-	1.96
Term Deposits - held as margin money for NFB limits	2,712.54	4,065.17
TOTAL	**2,727.44**	**4,080.13**

NOTE 6E : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Interest accrued on Deposits	61.56	117.70
Earnest Money Deposit Amount	20.00	50.24
Inter Corporate Deposits Receivable from Related Party (Note)	2,900.00	1,780.00
Derivative financial Asset	365.02	168.04
TOTAL	**3,346.58**	**2,115.98**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 6E : OTHER FINANCIAL ASSETS (CONTD.)

Note :

As at 31st March 2026

₹ in lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹ in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	2,900.00	100.00%

As at 31st March 2025

₹ in lakhs

Type of Borrower	Amount of loan or advance in the nature of loan outstanding (₹ in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	1,780.00	100.00%

NOTE 7 : OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	994.72	614.03
Central Excise, Sales tax, GST etc.,	2,327.47	2,104.33
Employees	2.08	3.09
Others	10.69	-
Export Incentive Receivables	134.99	489.11
State Industrial Promotion Subsidy receivables	9,655.16	8,032.32
Deposit with Income Tax Authorities	284.98	115.44
Income tax paid under protest	2.89	184.62
CSR Prespent expenses	387.35	-
Prepaid expenses	684.65	730.35
TOTAL	**14,484.98**	**12,273.29**

NOTE 8 : EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Authorised Capital		
33,37,85,000 (Previous Year 33,37,85,000) Equity Shares of ₹ 5/- each	16,689.25	16,689.25
TOTAL	**16,689.25**	**16,689.25**
Issued, Subscribed and Paid up		
3,76,53,588 (Previous year 3,76,53,588) Equity shares of ₹ 5/- each	1,882.68	1,882.68
8,300 (Previous year 8,300) Equity Shares forfeited of ₹ 5/- each	0.42	0.42
Instrument Entirley Equity in nature*		
Nil(Previous year 21,88,772) Equity Shares of ₹ 5/- each	-	-
TOTAL	**1,883.10**	**1,883.10**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 8 : EQUITY SHARE CAPITAL (CONTD.)

Notes

(a) Reconciliation of equity shares

Particulars	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,76,53,588	1,882.68	3,20,50,067	1,602.50
Issued during the period*	-	-	56,03,521	280.18
At the closing of the period	**3,76,53,588**	**1,882.68**	**3,76,53,588**	**1,882.68**

*Current year nil (Previous year: During the year, the Company raised capital through a Qualified Institutions Placement (QIP) in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. On 11th July 2024, the Company allotted 34,14,749 equity shares of face value ₹ 5/- each at an issue price of ₹ 1,054.25 per share (including a share premium of ₹ 1,049.25 per share) to eligible Qualified Institutional Buyers (QIBs), aggregating to ₹ 35,999.99 lakhs. Expenses amounting to ₹ 1,122.77 lakhs incurred in connection with the QIP have been adjusted against the Securities Premium Account in accordance with the applicable accounting standards)

Particulars	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Instrument Entirely Equity in nature				
At the beginning of the period	-	-	21,88,772	109.44
Converted into equity*	-	-	(21,88,772)	(109.44)
At the closing of the period	**-**	**-**	**-**	**-**

*Current year nil (Previous year :The Board of Directors, at its meeting held on 15th June 2023, approved a Scheme of Amalgamation between Pitti Castings Private Limited (PCPL), Pitti Rail and Engineering Components Limited (PRECL), and Pitti Engineering Limited (PEL). The Scheme was sanctioned by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench, on 3rd October 2024 and became effective upon filing with the Registrar of Companies on 24th October 2024. The appointed date for the amalgamation is 1st April 2023. Pursuant to the Scheme and in accordance with the approved share exchange ratio, 21,88,772 equity shares of PEL were allotted to the eligible shareholders of PCPL on 13th November 2024.)

(b) Rights, preferences and restrictions attached to shares

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

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

Name	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Shri Sharad B Pitti	44,38,653	11.79	44,38,653	11.79
Shri Akshay S Pitti	34,71,687	9.22	34,71,687	9.22
Pitti Electrical Equipment Private Limited	1,07,14,039	28.45	1,07,14,039	28.45
SBI Mutual Fund	22,89,766	6.08	11,72,697	3.11

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 8 : EQUITY SHARE CAPITAL (CONTD.)

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

Name	As at 31st March 2026		As at 31st March 2025		
	No. of Shares	% of Total Shares	No. of Shares	% of total shares	% Change during the year
Shri Sharad B Pitti	44,38,653	11.79	44,38,653	11.79	-
Shri Akshay S Pitti	34,71,687	9.22	34,71,687	9.22	-
Smt Madhuri S Pitti*	17,58,620	4.67	17,58,620	4.67	-
Pitti Electrical Equipment Private Limited*	1,07,14,039	28.45	1,07,14,039	28.45	-
Sharad B Pitti HUF*	17,000	0.05	17,000	0.05	-

* Promoter Group

(e) Dividend paid:

Particulars	2025-26	2024-25
Dividend Paid (₹ in lakhs)	564.80	531.97
Dividend Paid per share (₹)	1.50	1.50

The Board of Directors have recommended a final dividend of ₹ 2.50 per equity share of ₹ 5/- each for the year ended 31st March 2026 subject to approval of members of the Company at the ensuing 42nd Annual General Meeting.

NOTE 9 : OTHER EQUITY

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Securities Premium		
At the beginning of the year	42,812.94	8,106.46
Add: Premium on equity shares issued during the year	-	35,829.25
Less: Adjusted against share issue expenses	-	(1,122.77)
At the closing of the period	**42,812.94**	**42,812.94**
Capital Reserve		
At the beginning of the year	12,055.29	12,055.29
Add: during the period	-	-
At the closing of the period	**12,055.29**	**12,055.29**
General Reserve		
At the beginning of the year	750.48	750.48
Less: adjustment as per Schedule -II of Companies Act, 2013	-	-
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	**750.48**	**750.48**
Other Reserve		
Retained Earnings		
At the beginning of the year	35,406.84	25,255.34
Less : Final dividend declared for previous year	(564.80)	(531.97)
Add : Profit for the year	9,752.55	10,683.47
At the closing of the period	**44,594.59**	**35,406.84**
Share based payment reserve		
At the beginning of the year	58.52	-
Add: Share based payment expense	1,025.53	58.52
At the closing of the period	**1,084.05**	**58.52**
ESOP Trust Reserve		
At the beginning of the year	-	-
for the year	5.92	-
At the closing of the period	**5.92**	**-**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 9 : OTHER EQUITY (CONTD.)

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Treasury shares		
At the beginning of the year	(3,998.14)	-
Purchase of shares by ESOP Trust during the year	(3,310.67)	(3,998.14)
At the closing of the period	**(7,308.81)**	**(3,998.14)**
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	(275.32)	(398.16)
Fair value Changes of Cashflow Hedge	(278.88)	-
Fair value Changes of investment	(187.81)	(187.81)
At the closing of the period	**(742.01)**	**(585.97)**
TOTAL	**93,252.45**	**86,499.96**

Securities Premium

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

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

Capital Reserve

A Capital Reserve amounting to ₹ 12,055.29 lakhs has been created pursuant to the amalgamation of Pitti Castings Private Limited and Pitti Rail and Engineering Componenets Limited with the Company, in accordance with the scheme of amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT).

General Reserve

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

Retained Earnings

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

Share based payment reserve

The Share-Based Payment Reserve represents the cumulative value of fair value of Stock options under PITTI ESOP Scheme 2024 granted by Pitti Engineering Limited (Holding company) to employees of the Company.

ESOP Trust Reserve

This represents net income of the ESOP trust.

Treasury shares

This represents cost incurred by the Company to purchase its own equity shares from secondary market through the Company's ESOP trust for issuing the shares to the eligible employees on exercise of stock options granted under the Pitti ESOP 2024 scheme

NOTE 10 A : BORROWINGS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Secured Loans		
Term Loans from Banks (Refer Note a)	35,635.48	17,009.97
Term Loans from others (Refer Note b)	2,193.94	10,717.66
Sub total	**37,829.42**	**27,727.63**
Vehicle Loans		
From Lenders (Refer Note c)	251.90	399.52
Sub total	**251.90**	**399.52**
Total	**38,081.32**	**28,127.15**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 10 A : BORROWINGS (CONTD.)

(a) Term Loans from Banks

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025		
Term Loans	30,635.48	17,009.97	7,962.89	3,880.34	Monthly/Quarterly instlments payable over remaining period of 9 years.	Notes 1
WCTL	5,000.00	-	-	-	Monthly instlments payable over remaining period of 4 years.	Notes 2
Total - (a)	**35,635.48**	**17,009.97**	**7,962.89**	**3,880.34**		

(b) Term Loans from Others

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025		
Term Loans	2,193.94	10,717.66	621.02	1,821.02	Monthly/Quarterly instlments payable over remaining period of 6 years.	Notes 1
Total - (b)	**2,193.94**	**10,717.66**	**621.02**	**1,821.02**		
Total - (a+b)	**37,829.42**	**27,727.63**	**8,583.91**	**5,701.36**		

Notes :

1) Pari passu 1st charge on present and future fixed assets of the Company and pari passu 2nd charge on present and future current assets of the Company and guaranteed by the Promoter of the Company. Term Loans from banks carry interest rates in the range of 8.14% p.a. to 8.65% p.a. Term Loans from others lenders carry interest rates in the range of 9.95% p.a. to 11.10% p.a.

2) Pari Passu 2nd charge on the current assets, movable fixed assets and immovable fixed assets of the Company. Term Loans from banks carry interest rates in the range of 7.30% p.a. to 7.85% p.a.

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029.

(d) Changes in Borrowings (Refer Note No. 10A & 13A)*

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	57,844.68	54,810.68
Cashflow	12,039.99	3,034.00
Closing Balance	69,884.67	57,844.68

* Refer Cash Flow Statement

NOTE 10B : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Lease Liability*	7,346.95	8,245.92
TOTAL	**7,346.95**	**8,245.92**

*Refer note no: 25.7 (B) & 25.14 Movement of Lease Liabilities

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 11 : PROVISIONS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity*	911.62	1,153.56
Provision for Leave encashment*	645.57	634.89
Provision for Dismantling cost of Property, Plant & Equipment#	609.78	596.73
TOTAL	**2,166.97**	**2,385.18**

* Refer note no.25.4

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

Provision for Dismantling cost of Property, Plant & Equipment

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening balance	596.73	566.27
Add : Additions during the year	14.03	20.55
Add: Interest added during the year	21.56	26.89
Less: Utilised/reversed	(22.54)	(16.98)
Closing balance	**609.78**	**596.73**

NOTE 12 : DEFERRED TAX LIABILITIES (NET)*

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
At the beginning of the year	389.84	195.86
Provision for the year	835.93	193.98
Closing balance	**1,225.77**	**389.84**

* Refer note no.25.9 (B)

NOTE 13A : BORROWINGS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Working capital borrowings from Banks (Secured) (Refer Note (a))	19,635.24	22,565.96
Working capital borrowings from Banks (Unsecured)	3,443.31	1,289.37
Current maturities of long term borrowings: (Refer Note (b))		
Term loans	8,583.91	5,701.36
Vehicle loans	140.89	160.84
TOTAL	**31,803.35**	**29,717.53**

Note:

(a) Working capital facilities are availed at interest rate ranging from 3.83% p.a. to 8.50% p.a. which are secured on a pari paasu 1st charge of way of hypothecation of current assets of the Company (present and future), pari passu 2nd charge on movable and immovable fixed assets of the Company and guaranteed by the Promoter of the Company.

(b) Refer Note 10A

NOTE 13B : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Lease Liability*	3,274.32	2,588.87
TOTAL	**3,274.32**	**2,588.87**

*Refer note no: 25.7 (B) & 25.14 Movement of Lease Liabilities

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Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 13C : TRADE PAYABLES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Dues to micro enterprises and small enterprises (Refer Note 25.13)*	483.60	350.48
Dues to other than micro and small enterprises**#	22,117.88	31,183.06
TOTAL	**22,601.48**	**31,533.54**

Note:

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

* The amount mentioned is principal only.

**Trade Payable includes amount payable to related parties, for details please refer note no: 25.8

Liability under supplier financial arrangement - Refer note no. 25.7

Trade Payables ageing schedule for the year ended 31st March 2026

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed dues - MSME	483.60	-	-	-	-	**483.60**
(ii) Undisputed dues - Others	20,110.71	1,962.76	32.87	-	11.54	**22,117.88**
(iii) Disputed dues - MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**
Total	**20,594.31**	**1,962.76**	**32.87**	**-**	**11.54**	**22,601.48**

Trade Payables ageing schedule for the year ended 31st March 2025

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed dues - MSME	350.48	-	-	-	-	**350.48**
(ii) Undisputed dues - Others	28,600.38	2,485.03	40.99	30.65	26.01	**31,183.06**
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**28,950.86**	**2,485.03**	**40.99**	**30.65**	**26.01**	**31,533.54**

NOTE 13D : OTHER FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Unclaimed Dividend	14.90	13.00
Interest accrued*#	244.86	101.30
Derivative financial liability	3.46	344.39
Others	1,891.96	1,975.28
TOTAL	**2,155.18**	**2,433.97**

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

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 13D : OTHER FINANCIAL LIABILITIES (CONTD.)

Change in Interest accrued **

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	101.30	78.96
Cashflow	(101.30)	(78.96)
Accruals /Others	244.86	101.30
Closing Balance	244.86	101.30

**Refer Cash flow Statement

NOTE 14 : OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Advances from Customers	481.83	635.95
Other Liabilities	255.97	286.70
TOTAL	**737.80**	**922.65**

NOTE 15 : PROVISIONS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for employee benefits :		
Provision for Bonus	490.37	555.49
Provision for Leave encashment	48.67	58.39
TOTAL	**539.04**	**613.88**

NOTE 16 : INCOME TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for taxation (net)	534.52	62.05
TOTAL	**534.52**	**62.05**

NOTE 17 : REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Sales & Services:		
Sale of products	1,71,182.74	1,71,886.60
Sale of Traded Goods	5,551.16	-
Job work & service income	1,269.50	823.31
Gross sales & services (inclusive of GST)	**1,78,003.40**	**1,72,709.91**
Less: GST	(19,255.92)	(18,800.49)
Net sales & services	**1,58,747.48**	**1,53,909.42**
Sale of products	1,52,964.15	1,53,175.64
Sale of Traded Goods	4,701.64	-
Job work & service income	1,081.69	733.78
Net Sales & Services	**1,58,747.48**	**1,53,909.42**
Less: Discounts to customers	(1,190.06)	(2,722.12)
Revenue from Sales & Services	**1,57,557.42**	**1,51,187.30**
Export incentives and others	1,443.59	1,267.51
Revenue from Operations	**1,59,001.01**	**1,52,454.81**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 18 : OTHER INCOME

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Interest on Deposits	345.02	685.42
Interest on Inter Corporate Deposits	107.49	89.40
Profit on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	-	8.80
Profit on lease modification	-	1.88
State industrial promotion subsidy	3,087.28	3,001.60
Forex gain on Export Receivables and Imports Payables	236.74	-
Other Misc. Receipts	112.16	53.88
Change in fair value of investments	0.46	-
Dividend Income	0.02	0.02
TOTAL	**3,889.17**	**3,841.00**

NOTE 19 : COST OF MATERIAL CONSUMED

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Opening stock	16,055.42	17,412.56
Add: Purchases	97,951.99	93,067.94
Less: Material in Transit - Raw Material	(184.78)	(337.88)
Less: Closing stock	(17,069.80)	(15,717.54)
Consumption	**96,752.83**	**94,425.08**

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

₹ in lakhs

Particulars		For the Year ended 31st March 2026	For the Year ended 31st March 2025
A.	**Opening stocks:**		
	Work-in-process	7,653.64	5,999.45
	Finished goods	4,200.42	2,188.18
	Scrap	88.27	122.24
	Total - A	**11,942.33**	**8,309.87**
B.	**Closing stocks:**		
	Work-in-process	10,962.13	7,653.64
	Finished goods	4,524.68	4,200.42
	Scrap	27.83	88.27
	Total - B	**15,514.64**	**11,942.33**
C.	**(Increase)/Decrease in stocks (A-B)**	**(3,572.31)**	**(3,632.46)**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 21 : EMPLOYEE BENEFITS EXPENSES

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Employees remuneration and benefits	10,347.89	9,165.82
Contribution to PF/ESI*	510.12	493.88
Gratuity expenses*	272.22	334.23
Remuneration to Directors	627.11	663.55
Staff welfare expenses	1,028.06	1,033.06
Share based payment expenses*	972.27	55.54
TOTAL	**13,757.67**	**11,746.08**

*Refer note no.25.4

(i) During the year ended 31st March 2026, the Company has recognised as amount of ₹ 826.50 lakhs (Previous year ₹ 831.55) as remuneration to key managerial personnel. The details of such remuneration are as below:

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Short-term employee benefits	811.66	819.93
Post-employment benefits*	14.84	11.62
Other long-term employee benefits	-	-
Share based payments	-	-
TOTAL	**826.50**	**831.55**

* Does not include the provision made for gratuity and leave encashment benefits, as they are determined on an actuarial basis for the Company as a whole

NOTE 22 : FINANCE COSTS

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Interest on Long term debt*	3,490.49	2,904.92
Interest on short term debt	2,169.19	1,969.14
Interest others	854.50	470.95
Other Finance cost	1,137.06	1,203.50
Forex Loss/(Gain) (net)	633.37	210.81
TOTAL	**8,284.61**	**6,759.32**

*Interest capitalised during the year is ₹ Nil (Previous year ₹ 410.81 lakhs)

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 23 : OTHER EXPENSES

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Consumption of Stores, spares, tools & dies	4,995.70	5,894.59
Power & fuel	3,718.06	3,451.81
Repairs & Maintenance :		
Plant	752.06	693.95
Building	74.73	158.01
Vehicles	32.75	28.19
Maintenance charges	377.85	433.57
Other assets	231.20	171.28
Loss on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	21.06	-
Contract Labour wages	5,326.71	5,188.21
Credit risk impaired	8.08	26.11
Credit risk allowance	-	1.67
Other selling & distribution expenses	991.79	925.79
Packing Cost	2,315.83	2,010.54
Carriage outwards	1,491.51	1,537.81
Travelling & Conveyance	527.56	552.19
Insurance	599.93	533.79
Rent	89.18	81.20
Rates & Taxes (Excluding Taxes on Income)	167.21	512.53
Director's Sitting Fees	39.00	65.50
Forex loss on Export Receivables and Imports Payables	-	333.62
Remuneration to auditors :		
Audit Fee	15.00	15.00
Tax Audit Fee	5.25	5.25
Certification Fee /Taxation matter	15.90	21.00
Out of Pocket Expenses	2.08	1.58
Communication Expenses	64.14	57.29
Professional consultancy	766.09	1,405.89
CSR Expenses	517.44	215.50
CSR Prespent Expenses	(387.34)	-
Miscellaneous Expenses	1,121.76	933.81
TOTAL	**23,880.53**	**25,255.68**

NOTE 24 : TAX EXPENSES

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Current tax	3,496.47	3,266.35
Taxes relating to earlier years	(106.64)	(94.15)
Deferred tax (credit)/expenses	835.93	193.98
Deferred tax (credit)/expenses on other comprehensive income	52.48	(0.63)
TOTAL	**4,278.24**	**3,365.55**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25

25.1 Earnings Per Share (EPS) from continuing operations

₹ in lakhs

Particulars	For the Year 2025-26	For the Year 2024-25
Earnings		
Profit for the period attributable to owners of the Company (₹ in lakhs)	9,752.55	10,683.47
Shares		
Number of shares at the beginning of the period	3,76,53,588	3,42,38,839
Add: Shares issued during the period through QIP	-	34,14,749
Add: Adjustment relating to the scheme of amalgamation	-	-
Total number of equity shares outstanding at the end of the period	3,76,53,588	3,76,53,588
Weighted average number of equity shares outstanding during the period	3,76,53,588	3,67,08,685
Less : Weighted average shares held by ESOP Trust as Treasury Shares	(5,66,579)	(10,230)
Weighted average number of equity shares outstanding during the period	3,70,87,009	3,66,98,455
Earnings per share of par value ₹ 5/- Basic (₹)	26.30	29.11
Earnings per share of par value ₹ 5/- Diluted (₹)	26.30	29.11

25.2 Contingent Liabilities and Commitment

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
(A) Contingent Liabilities		
a. Claims against the Company not acknowledged as debts		
(i) Central Exercise liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the 2008-09 and 2010-11	185.12*	185.12*
(ii) GST liability for which appeals to be filed with the Commissioner of Appeals Hyderabad -1 for the 2017-18	21.08*	21.08*
(iii) GST liability for which appeals preferred by the Company is pending with the commissioner of appeals Hyderabad -1 for the 2016-2017 to 2021-2022	13.68*	13.68*
(iv) GST liability for which appeals are pending for the 2018-19	117.96	117.96
(v) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18 #	-	923.08*
(vi) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax Hyderabad for the AY 2019-20	8.19*	8.19*
(vii) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax Hyderabad for the AY 2024-25	134.85*	-
b. Income recognised against the scrip generation (under RodTEP Scheme) and pending for generation of EBRC	396.79	394.90
c. Duty payable in case nonperformance of export obligation in futures periods against EPCG License	2,229.43	2,348.39
d. Duty Payable in case nonperformance export obligation against advance Licenses	302.97*	6.21*
e. Bank Guarantees	3,311.96	1,430.07
B) Commitments		
(i) Estimated amount of liability on account of capital commitments	4,905.66	6,556.72

* No Provision is considered since the Company expects favourable decision and the above liability is excluding interest.

During the year the Order was received in favour of the Company.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

The Company has deposited ₹ 2.89 lakhs (Previous year ₹ 184.62 lakhs) towards Income tax liabilities which are classified under "Income tax paid under protest" and deposited ₹ 25.28 lakhs (Previous year ₹ 25.28 lakhs towards GST liabilities which are classified under "Central Excise, Sales tax, GST etc.," under Other Current Assets.

25.3 Capital Management

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

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

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

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

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

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Equity Share Capital	1,883.10	1,883.10
Other Equity	93,252.45	86,499.96
Total equity (A)	**95,135.55**	**88,383.06**
Non-Current borrowings	38,081.32	28,127.15
Current borrowings including interest accrued	32,048.21	29,818.83
Gross debt (B)	**70,129.53**	**57,945.98**
Total capital (A+B)	**1,65,265.08**	**1,46,329.04**
Gross debt as above	**70,129.53**	**57,945.98**
Less: Current investments	1.62	1.16
Less: Cash and cash equivalents	7,399.20	6,728.70
Less: Other balances with financial institutions	2,727.44	4,080.13
Net debt (C)	**60,001.27**	**47,135.99**
Net Debt to Equity	**0.63**	**0.53**

25.4 Employee Benefit Plans

As per Indian Accounting Standard 19 – "Employee Benefits" the disclosures as defined are given below

A) Defined Benefit Plan

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

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2025-26	2024-25	2025-26	2024-25
Discount Rate	7.60 %	6.83 %	7.60 %	6.83 %
Rate of increase in compensation levels	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Rate of return on plan assets	4.60 %	7.40 %	0%	0%
Expected average remaining working lives of employees (years)	23 yrs	24 yrs	23 yrs	24 yrs

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

₹ in lakhs

Particulars	Gratuity Plan		Leave Encashment Plan	
	2025-26	2024-25	2025-26	2024-25
Expenses Recognised in the Statement of Profit and Loss				
Current Service Cost	201.97	232.01	165.85	179.87
Past Service Cost – non vested benefits	3.24	-	-	-
Past Service Cost – vested benefits	0.14	-	-	-
Interest Cost	118.22	104.33	44.07	33.99
Expected Return on Plan Assets	(51.35)	(2.12)	-	-
Expenses Recognised in the Statement of Profit & Loss	272.22	334.23	-	-
Net actuarial (gain)/ loss recognised in the year	(164.16)	(2.51)	(112.05)	37.36
Total	108.06	331.72	97.87	251.22
Movements in the present value of the defined benefit obligation				
Present Value of Obligation as at the beginning of the year	1,801.46	1,502.18	693.28	515.52
Interest Cost	118.22	104.33	44.07	33.99
Past Service Cost – non vested benefits	3.24	-	-	-
Past Service Cost – vested benefits	0.14	-	-	-
Current Service Cost	201.97	232.01	165.85	179.87
Benefits paid	(143.15)	(65.12)	(96.90)	(73.46)
Actuarial (gain)/ loss on obligations	(181.29)	28.05	(112.06)	37.36
Present Value of Obligation as at the end of the year	1,800.59	1,801.46	694.24	693.28
Movements in the fair value of the plan assets				
Fair Value of the Planned Assets at the beginning of the year	647.90	262.35	-	-
Acquisition Adjustments	-	17.99	-	-
Employer's contribution	350.00	400.00	-	-
Interest on Planned Assets	51.35	2.12	-	-
Actuarial Gain/(Loss) on Planned Assets	(17.13)	30.56	-	-
Actual return on plan assets less interest on plan assets	-	-	-	-
Benefits paid	(143.15)	(65.12)	-	-
Asset acquired/(settled)	-	-	-	-
Present Value of Planned Assets at the end of the year	888.97	647.90	-	-
Amount to be recognised in Balance Sheet				
Present Value of Obligation as at the end of the year	1,800.59	1,801.46	694.24	693.28
Fair Value of Plan Assets as at the end of the year	888.97	647.90	-	-
Funded Status	(911.62)	(1,153.56)	(694.24)	(693.28)
Net Asset / (Liability) Recognised in Balance Sheet	(911.62)	(1,153.56)	(694.24)	(693.28)

Expected Contribution in respect of Gratuity for next year will be ₹ 201.97 lakhs (for the year ended 31st March 2025 ₹ 232.01 lakhs).

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz. the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from 21st November 2025. The corresponding rules under these codes are notified on 8th May,2026.

The incremental impact of these changes as assessed by the Company based of the information available and consistent with the guidance provided by the Institute of Chartered Accountants of India has been recognised in the Standalone financial results of the Company for the financial year ended 31st March 2026.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Based on actuarial valuation, the Company recognised an incremental gratuity expense of ₹ 0.14 lakhs as past service cost under the head Employee benefit expenses during the financial year ended 31st March 2026. The impact of the change is not material. The Company shall evaluate further impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment as and when the relevant rules are notified by the Government.

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

₹ in lakhs

Particulars	2025-26	2024-25
Within next 12 months	130.12	30.46
Between 2 to 5 years	264.58	401.71
Between 6 to 10 years	579.64	532.15
More than 10 years	5,527.34	5,457.85

Rate of return for the plan asset

Particulars	2025-26	2024-25
Guaranteed Rate of Return	4.60%	6.83%
Discounted Rate for remaining term to Maturity of Investment	7.60%	6.83%
Expected Rate of Return on Investment	4.60%	7.40%

Sensitivity Analysis – Gratuity Plan

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

The results of sensitivity analysis is given below

₹ in lakhs

Particulars	Gratuity Plan			
	As at 31st March 2026		As at 31st March 2025	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	2,061.65	1,585.06	2,034.66	1,607.03
Change in Rate of Salary Growth (Delta effect of +/-1%)	1,595.37	2,036.77	1,589.58	2,049.08
Change in Rate of Attrition (Delta effect of +/- 50%)	1,827.87	1,883.95	1,787.79	1,815.87
Change in Mortality Rate (Delta effect of +/-10%)	1,851.08	1,860.95	1,799.17	1,803.78

B) Defined Contribution Plan

Contribution to defined contribution plan recognised as expense for the year is as under

₹ in lakhs

Description	2025-26	2024-25
Employer Contribution to ESI	19.60	31.87
Employer Contribution to PF	446.83	425.70
Employer Contribution to pension scheme	42.87	35.48
Labour welfare fund	0.82	0.83
Total	510.12	493.88

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

C) Employee share-based payment plans

The Company has established the Pitti ESOP Scheme 2024, which was approved by the shareholders through a Special Resolution dated 13th June 2024. The objective of the scheme is to reward and motivate employees for their performance, enhance their contribution to the growth and profitability of the Company, and promote long-term talent retention. The scheme is administered through the Pitti Engineering Limited Employee Welfare Trust, which has been set up specifically for this purpose. Under the Pitti ESOP Scheme 2024, the Nomination and Remuneration Committee has been authorised to grant up to 13,00,000 stock options to eligible employees, in one or more tranches, each option conferring a right to apply for one fully paid-up equity share of the Company having a face value of ₹ 5/-. The total number of options that may be granted to any individual employee during the tenure of the scheme shall not exceed 2,00,000 options, in accordance with applicable laws and regulatory requirements.

In accordance with the terms of the scheme, the minimum vesting period of an option shall not be less than 12 months from the date of grant, or such other period as prescribed under the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations. A minimum of 25%, and up to a maximum of 50%, of the granted options shall vest based on the satisfactory performance of the option grantee, as determined by the Nomination and Remuneration Committee at the time of grant. The remaining options shall vest over a period of 8 years from the date of grant, with a cliff period of 2 years. The vested options may be exercised by the grantee from the date of vesting up to a period of 5 years from the vesting of the final tranche. Pursuant to the scheme, the Nomination and Remuneration Committee granted 7,47,500 stock options to eligible employees of Pitti Engineering Limited on 13th March 2025, at an exercise price of ₹ 736.72 per option. In addition, 17,500 options were granted to employees of Pitti Industries Private Limited (PIPL) and 22,500 options to employees of Dakshin Foundry Private Limited (DFPL) on the same date and at the same exercise price.

The eligible employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share-based payment, the fair value of the options is determined on the grant date and is recognised as employee benefit expenses over the vesting period with a corresponding increase in equity. The fair value of the options at the grant date is determined by an independent valuer using the Black Scholes valuation model. At the end of each reporting period, apart from the non-market vesting conditions, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest.

The expenditure recognised under the Scheme for the year ended 31st March 2026 is ₹ 972.27 lakhs (Previous Year ₹ 55.54 lakhs).

Changes in Treasury Shares*

₹ in lakhs

Description	As at 31st March 2026	As at 31st March 2025
Opening Balance	3,998.14	-
Accruals / Others	3,310.67	3,998.14
Closing Balance	7,308.81	3,998.14

*Refer Cash Flow Statement

Reconciliation of outstanding share options

Particulars	For the period ended 31st March 2026		For the period ended 31st March 2025	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	7,87,500	736.72	-	-
Granted during the year	-	-	7,87,500	736.72
Forfeited / surrendered during the year	65,000	736.72	-	-
Exercise during the year	-	-	-	-
Options outstanding at the end of the year	7,22,500	736.72	7,87,500	736.72
Options exercising at the end of the year	-	-	-	-
Weighted average remaining contractual life	11.95 Years		12.95 Years	

Weighted average share price on exercise of options is not applicable (Since, no share options are exercised during the period).

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Fair value and weighted assumptions of the options granted

Particulars	
Exercise Price (₹)	736.72
Share price at the grant date (₹)	920.90
Fair value of option granted (₹)	662.29
Expected life of the option (years)	9.17 years
Risk free interest rate (%)	6.86%
Expected volatility (%)	51.57%
Dividend yield (%)	0.20%

25.5 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 & loans are given in Note 3A,3B,6E & 25.8

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

25.6 Segment Reporting

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

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

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

Information by Geographies

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

a) Revenue from operations from external customers

₹ in lakhs

Sl. No	Segment Revenue	For the Year 2025-26	For the Year 2024-25
a)	India	1,09,085.61	1,04,748.92
b)	Outside India	49,915.40	47,705.89
	TOTAL	**1,59,001.01**	**1,52,454.81**

b) Assets

₹ in lakhs

Segment Assets	Carrying amount of assets	
	As at 31st March 2026	As at 31st March 2025
India	1,99,519.37	1,81,700.80
Outside India	6,084.56	13,703.20
TOTAL	**2,05,603.93**	**1,95,404.00**

c) Revenue from Major Customers

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

Revenue from three customers of the Company, having more than 10% of the total revenue aggregating to ₹ 64,746.24 lakhs (previous year two customers ₹ 68,792.97 lakhs).

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

25.7 Financial Instruments

(A) Fair Values Hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which 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

Fair value hierarchy

Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	FVTOCI	Amortised Cost
		Level 1	Level 2	Level 3		
31st March 2026						
Financial Asset (A)						
Investment	6.60	1.58	-	-	-	5.02
Other financial asset	4,410.64	-	-	-	-	4,410.64
Trade Receivables	17,621.22	-	-	-	-	17,621.22
Cash and Cash equivalents	7,399.20	-	-	-	-	7,399.20
Other bank balances	2,727.44	-	-	-	-	2,727.44
Total (A)	**32,165.10**	**1.58**	**-**	**-**	**-**	**32,163.52**
Financial Liability (B)						
Borrowings	69,884.67	-	-	-	-	69,884.67
Lease liability	10,621.27	-	-	-	-	10,621.27
Other financial liabilities	2,156.86	-	-	-	-	2,156.86
Trade Payables	22,601.48	-	-	-	-	22,601.48
Total (B)	**1,05,264.28**	**-**	**-**	**-**	**-**	**1,05,264.28**
Total (A+B) = C	**1,37,429.38**	**1.58**	**-**	**-**	**-**	**1,37,427.80**

₹ in lakhs

Fair value hierarchy

Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	FVTOCI	Amortised Cost
		Level 1	Level 2	Level 3		
Financial Asset (A)						
Investment	1.19	1.12	-	-	-	0.07
Other financial asset	3,220.34	-	-	-	-	3,220.34
Trade Receivables	22,785.88	-	-	-	-	22,785.88
Cash and Cash equivalents	6,728.70	-	-	-	-	6,728.70
Other bank balances	4,080.13	-	-	-	-	4,080.13
Total (A)	**36,816.24**	**1.12**	**-**	**-**	**-**	**36,815.12**
Financial Liability (B)						
Borrowings	57,844.68	-	-	-	-	57,844.68
Lease Liability	10,834.79	-	-	-	-	10,834.79
Other financial liabilities	2,434.33	-	-	-	-	2,434.33
Trade Payables	31,533.54	-	-	-	-	31,533.54
Total (B)	**1,02,647.34**	**-**	**-**	**-**	**-**	**1,02,647.34**
Total (A+B) = C	**1,39,463.58**	**1.12**	**-**	**-**	**-**	**1,39,462.46**

Note: Investments exclude investment in Subsidiaries (As per IND AS 27 preparations of Separate financial statements, Company accounted the investment in subsidiaries at cost)

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

(B) Financial Risk Management

The Company has exposure to the following risk

(i) Credit Risk

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

(ii) Liquidity Risk

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

The table below analyses financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31st March 2026

₹ in lakhs

Particulars	Carrying Value	Contractual Cashflows	Less than 1 year	Between 1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings other than lease obligation	69,884.67	70,047.28	31,803.35	32,230.59	6,013.34
Lease obligations	10,621.27	14,766.70	3,269.52	7,787.55	3,709.63
Trade payables	22,601.48	22,601.48	22,601.48	-	-
Other financial liabilities	2,153.40	2,153.40	2,152.04	-	1.36
Derivative financial liabilities	3.46	3.46	3.46	-	-
Total	**1,05,264.28**	**1,09,572.32**	**59,829.85**	**40,018.14**	**9,724.33**

As at 31st March 2025

₹ in lakhs

Particulars	Carrying Value	Contractual Cashflows	Less than 1 year	Between 1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings other than lease obligation	57,844.68	57,990.52	29,717.53	25,324.42	2,948.57
Lease obligations	10,834.79	15,238.66	2,588.87	8,498.84	4,150.95
Trade payables	31,533.54	31,533.54	31,533.54	-	-
Other financial liabilities	2,089.94	2,089.94	2,089.58	-	0.36
Derivative financial liabilities	344.39	344.39	344.39		
Total	**1,02,647.34**	**1,07,197.05**	**66,273.91**	**33,823.26**	**7,099.88**

The Company has entered into supplier finance arrangements to manage its working capital and liquidity risk categorised as follows

The Company has entered into supplier finance arrangements through the Trade Receivables Discounting System (TReDS) platform and Banks. Under these arrangements, participating financiers settle approved invoices of suppliers, and the

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Company undertakes to pay the financiers the invoice amount on the revised due date agreed under the arrangement. These arrangements do not involve the Company providing guarantees or collateral to the financiers.

There were no significant non-cash changes in the carrying amount included in the Company's supplier finance arrangement. The entire balance represents financial liabilities in respect of which suppliers have already received payment from finance providers under the supplier finance arrangements. These arrangements continue to hold characteristics of trade payables and are disclosed as such.

₹ in lakhs

S No	Particulars	Amount
1	Carrying amount of financial liabilities that are part of a supplier finance arrangement	
	Presented in Trade and Other Payables	9,402.53
	- of which supplier have received payment from the finance provider	8,385.28
2	Range of payment due dates	
	Liabilities that are part of the arrangements	90-120 days from the date of invoice / Date of Discounting as applicable
	Comparable Liabilities that are not part of the arrangements	0-120 days from the date of receipt of goods or services

Cash flow from Supplier Financing Arrangement *

₹ in lakhs

Particulars	1st April 2025	Cashflow	31st March 2026
Carrying amount of financial liabilities that are part of a Supplier finance arrangement			
Presented in Trade and Other Payables	4,436.16	3,949.12	8,385.28
Total	4,436.16	3,949.12	8,385.28

*Refer Cash Flow Statement

(iii) Market Risk

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

A. Foreign Currency exchange risk

The Company operates globally, and a portion of the business transacted are carried out in more than one currency, hence it is exposed to currency risks through its transactions in foreign currency or where assets or liabilities are denominated in currency other than functional currency.

The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including the use of derivatives like foreign exchange forward or option contracts to hedge exposure to foreign currency risks.

For every one percentage depreciation / appreciation in the exchange rate between the functional currency and foreign currency on the open exposure, the profit before tax of the Company on the open position as at the year-end for the year would increase or decrease as follows

₹ in lakhs

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Impact on profit before tax for the year	111.98	18.92

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Interest Risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

For the Company's floating rate borrowings, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rates.

₹ in lakhs

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Variable Cost Borrowings	69,884.67	57,844.68

In case of fluctuation in interest rates by 25 basis points and all other variables were held constant, the impact on profit before tax for the year due to fluctuation in the interest rate on the outstanding borrowings at the year end would increase or decrease as follows

₹ in lakhs

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Impact on profit before tax for the year	174.71	144.61

B. Disclosure Regarding Derivative Instruments and Unhedged Foreign Currency Exposure

(a) Foreign Currency exposure covered under Financial Hedge (Forward derivative contracts) in respect of Trade Exports, Imports, Other Receivables/Payables, Borrowings and Others

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	₹ in lakhs	Foreign Currency in lakhs	₹ in lakhs
Trade Receivables	USD	-	-	-	-
	EURO	-	-	-	-
EEFC Bank Account	USD	-	-	-	-
	EURO	-	-	-	-
Others	USD	20.00	1,893.09	101.83	8,714.58
Trade payables	USD	49.14	4,651.40	6.82	584.14
	EURO	17.41	1,897.31	0.50	45.70
Others	USD	39.45	3,733.74	11.67	1,084.08
	EURO	8.67	944.63	19.91	1,838.01
	GBP	-	-	1.13	125.62

(b) Foreign Currency exposure covered under Natural Hedge in respect of Trade Exports, Imports, Other Receivables/ Payables, Borrowings and Others

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	₹ in lakhs	Foreign Currency in lakhs	₹ in lakhs
Trade receivables	USD	57.94	5,484.29	142.40	12,187.19
	EURO	9.26	1,009.69	6.47	597.22
EEFC Bank Account	USD	13.68	1,294.98	37.96	3,248.98
	EURO	0.00	0.42	-	-
Others	USD	102.73	9,724.10	45.34	3,880.10
Trade payables	USD	-	-	0.12	9.89

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	₹ in lakhs	Foreign Currency in lakhs	₹ in lakhs
Borrowings	USD	174.35	16,503.41	225.59	19,306.38
	EURO	9.27	1,010.28	6.47	597.22

(c) Foreign currency exposures not covered by derivative instruments or otherwise are as under

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	₹ in lakhs	Foreign Currency in lakhs	₹ in lakhs
Trade Receivables	USD	-	-	-	-
	EURO	-	-	11.86	1,095.14
EEFC Bank Account	USD	-	-	-	-
		-	-	-	-
Others - Receivables	USD	7.60	719.84	-	-
Trade payables	USD	0.48	45.47	-	-
	EURO	0.10	10.92	-	-
Borrowings	USD	-	-	4.88	417.90
	EURO	0.08	8.29	9.34	862.69
	JPY	4,250.79	2,518.59	5,188.44	2,944.44
Others - Payables	USD	-	-	0.18	15.01
	EURO	-	-	-	-
	GBP	-	-	-	-

Derivative financial instruments and hedging activity

During the current financial year, the Company has designated eligible hedging relationships and commenced applying hedge accounting in accordance with Ind AS 109, Financial Instruments. Hedge accounting is applied prospectively from the date on which all qualifying criteria are satisfied. Accordingly, comparative information in respect of hedge accounting disclosures has not been presented/restated, as such information was not applicable in the previous reporting period.

The Company's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

The Board of Directors has constituted a Foreign Exchange Risk Management Committee (FERMC) to frame, implement and monitor the Foreign exchange risk management plan of the Company which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the FERMC, the Company uses various derivative instruments such as foreign exchange contract and options in which the counter party is generally a bank.

The following are outstanding forward exchange contracts, which have been designated as cash flow hedges

Particulars	As at 31st March 2026		
	No. of contracts	Notional amount of contracts (Foreign Currency in lakhs)	Fair value (₹ in lakhs)
US Dollar	21	60.11	116.88
EURO	4	8.75	17.57

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

(a) Disclosure of effects of hedge accounting on financial position

Particulars	Notional amount of contracts (Foreign Currency in lakhs)	Carrying amount of hedge instrument (₹ in lakhs)		Hedge Maturity	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument (₹ in lakhs)	Change in fair value of hedged item used as basis for recognising hedge effectiveness (₹ in lakhs)
		Assets	Liabilities					
As at 31st March 2026 **Foreign Currency Risk**								
Cash flow hedge-highly probable future transaction-USD								
Forward Contract-Highly Probable Forecasted Exports	20.00	-	3.46	30th April 2026	100%	94.90	(3.46)	3.46
Forward Contract-Highly Probable Forecasted Imports	40.11	120.34	-	April'26 to Jan'27	100%	93.11	120.34	(120.34)
Foreign currency risk-(Packing Credit facility)	111.53	-	10556.92	June'26 to Sep'26	97.30%	90.58	(475.12)	462.30
Foreign currency risk-Borrowings	4.88	-	462.20	May'26 to April'27	46.82%	89.88	(24.22)	11.34
Cash flow hedge-highly probable future transaction-EURO								
Forward Contract-Highly Probable Forecasted Imports	8.75	17.57		April'26 to Jan'27	100%	109.26	17.57	(17.57)
Foreign currency risk-Borrowings	9.34	-	1018.56	April'26 to Feb'28	99.38%	105.47	(32.96)	32.76
Fair value hedge- USD								
Forward Contract-Highly Probable Forecasted Imports	48.48	190.12	-	April'26 to July'26	100%	91.58	190.12	(190.12)
Foreign currency risk-(Packing Credit facility)	57.94	-	5484.29	July'26 to Sep'26	97.22%	90.32	261.48	(254.20)
Fair value hedge- EURO								
Forward Contract-Highly Probable Forecasted Imports	17.32	36.99	-	May'26 to Aug'26	100%	107.93	36.99	(36.99)

(b) Disclosure of effects of hedge accounting on financial performance

₹ in lakhs

Type of hedge and risks	Changes in fair value of hedging instruments recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in statement of profit and loss affected by reclassification
Cash flow hedge	-	-	-	NA
Forward contracts -Foreign currency risk	(372.68)	(25.88)	-	NA
Fair Value Hedge	-	-	-	NA
Forward contracts – Foreign currency risk	-	(7.20)	-	NA

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows

₹ in lakhs

Particulars	Year ended 31st March 2026
As at 1st April 2025	-
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	-
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	-
Change in the fair value of effective portion of cash flow hedges	(372.68)
Deferred tax on change in the fair value of effective portion of cash flow hedges	93.80
Balance as at 31st March 2026	(278.88)

Fair value Hedging instrument

Risk Type	Particulars	Nominal Value (In Foreign currency lakhs)	Carrying Amount (₹ in lakhs)		Changes in Fair Value (₹ in lakhs)	Hedge Maturity	Line Item in Balance Sheet
			Assets	Liabilities			
Foreign Currency Risk	Derivative Contracts-USD	48.48	190.12	-	190.12	April'26 to July'26	Current Other financial Asset
Foreign Currency Risk	Derivative Contracts-USD	57.94	-	5,494.76	(261.48)	July'26 to Sep'26	Current Borrowings
Foreign Currency Risk	Derivative Contracts-EURO	17.32	36.99	-	36.99	May'26 to Aug'26	Current Other financial Asset

Hedged Items

Risk Type	Particulars	Carrying Amount (₹ in lakhs)		Changes in Fair Value (₹ in lakhs)	Line Item in Balance Sheet
		Assets	Liabilities		
Foreign Currency Risk	Import Firm Commitments		227.11	(227.11)	Trade payable
Foreign Currency Risk	Export Firm Commitments	5,494.76		254.20	Trade Receivables

The Company designated certain hedging instruments under cash flow hedge accounting with effect from 1st January 2026 in accordance with applicable accounting standards. For the year ended 31st March 2026, on the occurrence of the forecasted hedged transactions, there was no amount transferred from the Cash Flow Hedging Reserve to the Standalone Statement of Profit and Loss. Accordingly, the Net foreign exchange gain/(loss) recognised in the Statement of Profit and Loss for the year does not include any amount relating to cash flow hedge reclassification adjustments.

Net loss on derivative instruments of ₹ 372.68 lakhs recognised in cash flow hedging reserve as at 31st March 2026, is expected to be transferred to the statement of profit and loss by 31st March 2027. The maximum period over which the exposure to cash flow variability has been hedged is through 31st December 2026.

25.8 Related party disclosures

List of Related parties

I Wholly owned subsidiary

(i) Pitti Industries Private Limited (w.e.f. 6th May 2024)

{Formerly Bagadia Chaitra Industries Private Limited}

(ii) Dakshin Foundry Private Limited (w.e.f. 25th July 2024)

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

II Entity having significant influence over the entity

(i) Pitti Electrical Equipment Private Limited

III Key Management Personnel

Executive Promoter Directors

(i) Shri Sharad B Pitti, Founder & Chairman

(ii) Shri Akshay S Pitti, Managing Director & Chief Executive Officer

Independent & Non-Executive Directors

(i) Shri S Thiagarajan, (Up to 23rd April 2025)

(ii) Shri Y B Sahgal

(iii) Ms Kemisha Soni, Woman Director (From 14th August 2024)

(iv) Shri Vinod Nagururu Kumar (From 14th August 2024)

(v) Ms Priti Paras Savla, Woman Director (From 14th August 2024)

(vi) Ms Gayathri Ramachandran, Woman Director (Up to 21st September 2024)

(vii) Shri G Vijaya Kumar, (Up to 21st September 2024)

(viii) Shri M Gopalakrishna, (Up to 21st September 2024)

(ix) Shri N R Ganti, (Up to 21st September 2024)

Non-Independent & Non-Executive Director

(i) Shri G Vijaya Kumar (From 5th February 2026)

Others

(i) Shri M Pavan Kumar, Chief Financial Officer

(ii) Ms Mary Monica Braganza, Company Secretary & Chief Compliance Officer

IV Other Related Parties with whom transactions have taken place.

Enterprises over which KMP or relatives of KMP having significant influence

(i) Pitti Trade & Investment Private Limited

Relatives of Executive Promoter Directors

(i) Smt Madhuri S Pitti

(ii) Smt Radhika A Pitti

(iii) Sharad B Pitti (HUF)

A. Transactions/balances outstanding with related parties

(1) For the Financial Year 2025-26

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Wholly Owned Subsidiary	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration (Refer note 2&3)	-	-	826.50	15.68	**842.18**
2	Rent / Lease Expenses	-	-	126.25	225.76	**352.01**
3	Rent / Lease Income	1.50	-	-	1.91	**3.41**
4	Purchases of goods	590.25	426.78	-	256.09	**1,273.12**
5	Job work charge	0.79	-	-	-	**0.79**
6	Sales of goods	5,309.03	-	-	-	**5,309.03**
7	Sales of Property, plant & equipment	112.75	-	-	-	**112.75**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Wholly Owned Subsidiary	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
8	Job work income	45.37	-	-	-	**45.37**
9	Investment	53.27	-	-	-	**53.27**
10	Interest Received	107.49	-	-	-	**107.49**
11	Inter Corporate Deposit Given - unsecured	16,885.00	-	-	-	**16,885.00**
12	Inter Corporate Deposit received back - unsecured	15,265.00	-	-	-	**15,265.00**
13	Rent Deposit Received	0.32	-	-	-	**0.32**
14	Amount payable at the year end	105.90	152.35	322.48	1.34	**582.07**
15	Amount receivable at the year end	5,170.28	-	20.21	40.02	**5,230.51**
16	Investments at the year end	25,762.91	-	-	-	**25,762.91**
17	Deemed Investments at the year end (ESOP Scheme)	56.25	-	-	-	**56.25**

Note

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

2) Remuneration paid to the Key Management Personnel does not include the sitting fee amount of ₹ 39.00 lakhs to the Non -Independent, Independent Directors and Non-Executive Directors.

3) The details of remuneration paid to key managerial personnel are provided in note 21.

(2) For the previous Financial Year 2024-25

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Wholly Owned Subsidiary	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration (Refer note 2&3)	-	-	831.55	15.25	**846.80**
2	Rent / Lease Expenses	-	-	118.69	215.25	**333.94**
3	Rent / Lease Income	-	-	-	1.82	**1.82**
4	Purchases of goods	83.85	1,215.52	-	251.25	**1,550.62**
5	Purchases of Property, plant & equipment	43.24	-	-	-	**43.24**
6	Job work charge	5.74	-	-	-	**5.74**
7	Sales of goods	8,053.69	1,179.12	-	-	**9,232.81**
8	Sales of Property, plant & equipment	45.59	-	-	-	**45.59**
9	Job work income	12.67	-	-	-	**12.67**
10	Investment	2.97	-	-	-	**2.97**
11	Interest paid	-	75.08	-	-	**75.08**
12	Interest Received	89.40	-	-	-	**89.40**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Wholly Owned Subsidiary	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
13	Inter Corporate Deposit Given - unsecured	8,080.00	-	-	-	**8,080.00**
14	Inter Corporate Deposit received back - unsecured	5,800.00	-	-	-	**5,800.00**
15	Inter Corporate deposits - Repaid	-	2,510.00	-	-	**2,510.00**
16	Amount payable at the year end	-	-	375.82	20.55	**396.37**
17	Amount receivable at the year end	2,508.06	-	20.21	40.02	**2,568.29**
18	Investments at the year end	25,762.91	-	-	-	**25,762.91**
19	Deemed Investments at the year end (ESOP Scheme)	2.97	-	-	-	**2.97**

Note

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

2) Remuneration paid to the Key Management Personnel does not include the sitting fee amount of ₹ 65.50 lakhs to the Independent Directors.

3) The details of remuneration paid to key managerial personnel are provided in note 21.

Terms & Conditions for Related Party Transactions

a) The Company has been entering into transactions with related parties for its business purposes. The related party transactions are entered in the ordinary course of business and on an arm's length basis, with the approval of the Audit Committee, Board of Directors and Shareholders, as applicable

b) Transactions with Related Parties are shown net of taxes

c) The remuneration to the key managerial personnel does not include the provisions made for gratuity, leave benefits, as they are determined on an actuarial basis for the Company as a whole.

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

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

₹ in lakhs

Sl. No.	Particulars	For the year 2025-26	For the year 2024-25
1	**Shri Sharad B Pitti**		
	- Remuneration	180.00	170.17
	- Lease rental	126.25	118.69
	- Amount payable at the year end	10.15	9.16
	- Amount receivable (rent deposit) at year end	20.21	20.21
2	**Shri Akshay S Pitti**		
	- Remuneration	447.11	493.37
	- Amount payable at the year end	276.51	332.13

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

₹ in lakhs

Sl. No.	Particulars	For the year 2025-26	For the year 2024-25
3	**Pitti Electrical Equipment Private Limited**		
	- Purchase of goods	426.78	1,215.52
	- Sale of goods	-	1,179.12
	- Interest on inter corporate deposits	-	75.08
	- Inter corporate deposits repaid	-	2,510.00
	- Amount payable at the year end	152.35	-

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

25.9 A) Income Tax

₹ in lakhs

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Profit/(loss) before tax	14,030.79	14,049.02
Expected income tax expense at statutory income tax rate of 25.168% (2022-23: 25.168%)	3,531.27	3,535.86
(a) Disallowances in respect of impairment of investments and allowance	-	-
(b) Income exempt from tax/ Items not deductible/ adjustments in respect of prior periods	3,477.15	3,072.94
(c) Expenses allowable for tax purposes when paid/written of	(3,511.95)	(3,342.45)
Tax expense as reported	**3,496.47**	**3,266.35**

B) Deferred Tax

₹ in lakhs

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 1st April 2025	Statement of Profit & Loss	Other Comprehensive income	Deferred Tax (Liability)/ Asset as at 31st March 2026
	Deferred tax assets				
1	Provision for lease liability as per IND AS 116	1,461.42	205.18	-	1,666.60
2	Employee benefit	139.81	(16.39)	-	123.42
3	Provision for dismantling cost of property, plant & equipment	150.19	3.28	-	153.47
4	Remeasurement of defined benefit plans	392.55	52.93	(41.32)	404.16
5	Share based payment expenses (ESOP)	14.73	258.10	-	272.83
6	Others	477.87	(473.93)	93.80	97.74
	Total (a)	**2636.57**	**29.17**	**52.48**	**2,718.22**
	Deferred tax liabilities				
1	Difference between depreciation as per Companies Act. & as per IT Act	(2,980.33)	(922.36)	-	(3,902.69)
2	Remeasurement of defined benefit plans	-	-	-	-
3	Others	(46.08)	4.78	-	(41.30)
	Total (b)	**(3,026.41)**	**(917.58)**	**-**	**(3,943.99)**
	Deferred Tax Net (a-b)	**(389.84)**	**(888.41)**	**52.48**	**(1,225.77)**

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

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

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

25.12 During the current financial year, the Company carried out a technical assessment of certain items of property, plant and equipment. Based on this assessment, the useful lives and residual values of select assets have been revised to reflect their expected pattern of economic benefits.

This change constitutes a change in accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The revised useful lives and residual values have been applied prospectively from the date of assessment

The impact of this change on the depreciation expense for the current year and future years is as follows

₹ in lakhs

Year	2025-26	2026-27	2027-28
Impact on profit before tax	204.06	683.18	476.51

The Company believes that the revised estimates provide a more reliable representation of the consumption of economic benefits of the assets, in line with Ind AS 16 – Property, Plant and Equipment.

Comparative figures for prior periods have not been restated, as the change has been accounted for prospectively.

25.13 Micro Small and Medium Enterprises Development Act, 2006

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

₹ in lakhs

Sl. No.	Description	Year 2025-26	Year 2024-25
1	Principal amount outstanding and not due to suppliers under MSMED	483.60	350.48
2	Interest accrued and due to suppliers covered under MSMED on the above amount unpaid	-	-
3	Payment made to suppliers (with Interest) beyond the appointed day during the year.	-	-
4	Interest paid to suppliers covered under MSMED	-	-
5	Interest due & Payable to suppliers covered under MSMED Act towards payments already made.	-	-

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

25.14 Movement of Lease Liabilities*

₹ in lakhs

Description	As at 31st March 2026	As at 31st March 2025
Balance at beginning of the year	10,834.79	7,963.36
Recognised during the year	1,763.36	5,207.57
Unwinding of interest on lease liabilities	676.29	530.86
Payment during the year	(2,653.17)	(2,855.11)
Written back during the year	-	(11.89)
Revaluation of lease liabilities	-	-
Effect of remeasurement / other adjustments	-	-
Balance at end of the year	10,621.27	10,834.79

* Refer Cash Flow Statement.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

25.15 Right of Use Assets

For the Financial Year 2025-26

₹ in lakhs

Particulars	Category of ROU Assets				Total
	Land	Building	Plant & Machinery	Vehicles	
Balance as on 1st April 2025	120.41	1,744.95	9,459.56	48.08	**11,373.00**
Reclassified on account of adoption of Ind AS 116	-	-	-	-	**-**
Additions/Adjustments	-	37.78	2,769.08	-	**2,806.86**
Deletions/Adjustments	-	-	(231.85)	-	**(231.85)**
Depreciation	(17.86)	(161.06)	(1,402.19)	(12.74)	**(1,593.85)**
Balance as on 31st March 2026	**102.55**	**1,621.67**	**10,594.60**	**35.34**	**12,354.16**

For the Financial Year 2024-25

₹ in lakhs

Particulars	Category of ROU Assets				Total
	Land	Building	Plant & Machinery	Vehicles	
Balance as on 1st April 2024	138.29	1,902.31	6,243.82	63.61	**8,348.03**
Reclassified on account of adoption of Ind AS 116	-	-	-	-	**-**
Additions/Adjustments	-	-	4,272.89	11.88	**4,284.77**
Deletions/Adjustments	-	-	-	(10.24)	**(10.24)**
Depreciation	(17.88)	(157.36)	(1,057.15)	(17.17)	**(1,249.56)**
Balance as on 31st March 2025	**120.41**	**1,744.95**	**9,459.56**	**48.08**	**11,373.00**

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

25.17 Financial and derivative instruments

₹ in lakhs

Description	As at 31st March 2026	As at 31st March 2025
Forward Contracts	13,120.17	12,392.04

All financial and forward contracts entered into by the Company are for hedging purposes only.

25.18 Statutory Auditor's Remuneration

₹ in lakhs

Sl. No.	Description	Year 2025-26	Year 2024-25
1	Statutory Audit	15.00	15.00
2	Tax Audit	5.25	5.25
3	Certification fee / Taxation matter	15.90	21.00
4	Out of Pocket Expenses	2.08	1.58
5	Certification for QIP*	-	40.00

* Certification for QIP expenses included in the equity issue expenses, refer to note: 9

25.19 The previous year figures have been regrouped/rearranged to the extent necessary to be in line with the current period's classification. All the numbers have been rounded off to the nearest lakhs.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

25.20 Business Combinations

Scheme of Amalgamation

The Board of Directors of Pitti Engineering Limited ("PEL" or "the Company"), at its meeting held on 5th February 2026, approved a Scheme of Amalgamation ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013, and the rules made thereunder. The Scheme provides for the amalgamation of Pitti Industries Private Limited (formerly Bagadia Chaitra Industries Private Limited) ("PIPL") and Dakshin Foundry Private Limited ("DFPL") with the Company, along with their respective shareholders and creditors.

PIPL and DFPL are wholly owned subsidiaries of the Company, engaged in similar lines of business. The proposed amalgamation is intended to simplify the group structure, improve operational efficiencies, enable optimal utilisation of resources, and achieve cost rationalisation through elimination of duplicate functions and economies of scale.

The National Company Law Tribunal ("NCLT"), vide its order dated 10th April 2026, dispensed with the requirement of convening meetings of the equity shareholders, secured creditors, and unsecured creditors of PIPL, DFPL, and the Company. The Company filed the second motion petition with the NCLT on 23rd April 2026 for sanction of the Scheme, which is pending approval as at the reporting date.

The Scheme is proposed to be effective from the appointed date of 1st April 2026, subject to receipt of necessary statutory and regulatory approvals and fulfilment of all conditions precedent specified therein.

As PIPL and DFPL are wholly owned subsidiaries of the Company, no consideration is payable pursuant to the Scheme. Upon the Scheme becoming effective, the entire issued, subscribed, and paid-up share capital of PIPL and DFPL shall stand cancelled and extinguished.

25.21 Key Ratios

S. no	Particulars	Numerator	Denominator	31st March 2026	31st March 2025	Variance	Reason for variance more than 25%
1.	Current Ratio (in times)	Current assets	Current liabilities	1.33	1.17	(13.68%)	
2.	Debt - Equity Ratio (in times)	Debt *	Average equity	0.76	0.85	(10.59)%	
3.	Debt Service Coverage Ratio (in times)	Earnings available for debt service	Interest	2.02	2.41	(16.18%)	
4.	Return on Equity (in %)	Profit after tax	Average equity	10.63%	15.75%	(5.12%)	
5.	Inventory Turnover Ratio (in times)	Revenue from operation	Average Inventory	4.68	5.08	(7.87%)	
6.	Trade Receivables Turnover Ratio (in times)	Revenue from operation	Average Receivables	7.87	6.90	14.06%	
7.	Trade Payables Turnover ratio (in times)	Net Purchases	Average payables	5.25	5.31	(1.13%)	
8.	Net Capital turnover ratio (in times)	Revenue from operation	Working Capital	7.75	13.30	(41.73%)	Note 1(a)
9.	Net Profit Ratio (in %)	Profit after tax	Revenue from operations	6.13%	7.01%	(0.88)%	
10.	Return on capital employed (in %)	Earnings before interest and taxes	Average capital employed	14.72 %	16.24%	(1.52)%	
11.	Return on Investment (in %)	Earnings from invested funds	Average invested funds	Nil	Nil		

* Debt excludes lease liabilities

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Note 1

(a) The increase in the Net Capital Turnover Ratio is primarily due to decrease in Trade payables.

Definitions

(a) Current Assets = Total Current Assets

(b) Current Liabilities = Total Current Liabilities

(c) Debt = Long term and short-term borrowings as per Note 10A and Note 13A respectively of the Balance Sheet

(d) Average Equity = (Opening Total Equity + Closing Total Equity)/2

(e) Earnings available for debt service (EBDIT) = Profit Before Tax + Depreciation + Interest on Term Loans + Interest on working capital borrowings

(f) Earnings before interest and taxes (EBIT) = Profit before tax -Interest on investment income/ICD's – (Profit)/Loss on Sale of PPE and Lease modification + Interest Cost (all interest cost except Ind AS)

(g) Interest = Total Interest cost on Borrowings (Term Loans and Working Capital Borrowings)

(h) Revenue from Operations: Revenue from sales & Service + Other operating revenue

(i) Average Inventory = (Opening Inventory + Closing Inventory)/2

(j) Average Receivables = (Opening Receivables + Closing Receivables)/2

(k) Average Payables = (Opening Payables + Closing Payables)/2

(l) Working Capital = Current Assets – Current Liabilities

(m) Capital Employed = Total Equity – Noncurrent Investment +Longterm and Short term Borrowings + Interest accrued

(n) Earnings from Investor Funds= Earnings from Investment

(o) Average Investment Funds = (Opening Investments + Closing Investments)/2

25.22 Other Statutory Information

(i) The Company does not have any Benami property where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

(iii) The Company has not been declared willful defaulter by any Bank or Financial Institution or Government or any Government Authority.

(iv) The Company does not have any transactions with companies struck off.

(v) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) Provide any guaranteed security or the like to or on behalf of the Ultimate Beneficiaries.

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

(viii) The Company has not received any funds from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guaranteed security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

(x) **Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The Company is liable to incur CSR expense as per the requirement of Section 135 of Companies Act, 2013.

(a) Gross amount to be spent as per section 135 of the Companies Act, 2013: ₹ 191.62 lakhs (Previous year - ₹ 158.70 lakhs)

(b) Amount contributed during the year: ₹ 517.44 lakhs (Previous year - ₹ 215.50 lakhs)

(c) Amount spent during the year on

(i) Construction / acquisition of any assets Nil (Previous year - Nil)

(ii) Other than Construction / acquisition of any assets: ₹ 517.44 lakhs (Previous year - ₹ 215.50 lakhs)

₹ in lakhs

Sl. No.	Particulars	Year ended 31st March 2026	Year ended 31st March 2025
a.	Amount required to be spent by the Company during the year as per section 135 of the Companies Act,2013	191.62	158.70
b.	Less: Excess incurred in Previous Financial Year	(61.52)	(4.72)
c.	Net amount should be incurred for the during the financial year	130.10	153.98
d.	Amount of expenditure incurred	517.44	215.50
e.	(Excess)/Shortfall at the end of the year	(387.34)	(61.52)
f.	Total of previous years shortfall	-	-
g.	Reason for shortfall	-	-
h	Nature of CSR Activities	1) Promotion of Education & Culture 2) Animal Welfare 3) Protection of Natural Heritage 4) Health Care	1) Promotion of Education & Culture 2) Animal Welfare
i.	Details of related party transactions, e.g., contribution to a trust controlled by the Company	Nil	Nil
j.	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

Notes to Standalone Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Amount of expenses excess spent

₹ in lakhs

Financial Year	Opening Balance	Amount Required to spent during the year	Amount Spent during the year	Closing Balance
2025-26	61.52	191.62	517.44	387.34
2024-25	4.72	158.70	215.50	61.52

Ongoing Project Details

₹ in lakhs

Opening Balance (1st April 2025)		Amount required to be spent during the year	Amount spent during the year		Closing Balance (31st March 2026)	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	-	50.00	3.88	-	46.12	-

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

As per our report of even date

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

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

Amit Shah
Partner
M. No: 122131

Sharad B Pitti
Founder & Chairman
DIN: 00078716

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

Y B Sahgal
Independent Director
DIN: 01622420

M Pavan Kumar
Chief Financial Officer
M. No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Independent Auditor's Report

To
The Members of
Pitti Engineering Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated Financial Statements of Pitti Engineering Limited ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows, for the year then ended and notes to the Consolidated Financial Statements, including a summary of the material accounting policies and other explanatory information here in after referred to as ("the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries , the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31 2026, and its consolidated profit including other comprehensive income, consolidated changes in equity and the consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules issued there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

OTHER MATTERS

We did not audit the financial statements of 2 (two) subsidiaries, whose financial statements reflect total assets of Rs. 23,633.30 Lakhs as at March 31, 2026, total revenues of Rs. 38,224.79 Lakhs, total comprehensive income (comprising of profit/ loss and other comprehensive income) of Rs. 2,115.37 Lakhs and net cash inflows amounting to Rs. 1,409.08 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

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

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity including other comprehensive income and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation, and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, then to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separated financial statements and the other financial information of subsidiaries as noted in the other matter paragraph, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow, and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purposes of preparation of Consolidated Financial Statement.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

    e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act of its subsidiary companies as on March 31, 2026, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion

Independent Auditor's Report (Contd.)

and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary companies incorporated in India, the remuneration paid / payable by the Holding Company and such subsidiary companies to their respective directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the group in its financial statements – Refer to Note 25.2 to the Consolidated Financial Statements.

ii) The Group does not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses as on March 31, 2026.

iii) There were no such amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2026.

iv) a) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 25.19 (vii) to the Consolidated Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective management of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, as disclosed in Note No. 25.19 (viii) to the Consolidated Financial Statements, no funds have been received by the Company or its subsidiary company incorporated in India from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall, whether, directly or indirectly, lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, performed by us on holding company and performed by the other auditor in respect of subsidiaries which are incorporated in India whose financials have been audited under the act, nothing has come to our or other auditors notice that has caused us to believe that the representations under sub- clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement

v) The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 8 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend Proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks, the Group has used an accounting software system for maintaining its books of account for the financial year ended 31st March, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions re-corded in the software systems. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Group as per the statutory requirements for record retention.

Independent Auditor's Report (Contd.)

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements

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

CA Amit Shah
Partner
Membership Number: 122131
UDIN: 26122131KPYVCI8295

Place of Signature: Hyderabad
Date: 14/05/2026

Annexure - A to the Auditor's Report

(Referred to in paragraph 1 (f) under the heading "Report on other Legal and Regulatory Requirements" of our report to the members of Pitti Engineering Limited on the Consolidated Financial Statements as on 31st March, 2026)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

TO THE MEMBERS OF PITTI ENGINEERING LIMITED

In conjunction with our audit of the Consolidated Financial Statements of Pitti Engineering Limited (herein after referred to as "the Holding Company") as of and for the year ended 31st March, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its subsidiary, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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

(2) Provide reasonable assurance that transactions are recorded as necessary to permit the preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with the authorizations of management and directors of the company; and

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

Annexure - A to the Auditor's Report (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company which are company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March 2026, based on the internal control with reference to Consolidated Financial Statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

CA Amit Shah
Partner
Membership Number: 122131
UDIN: 26122131KPYVCI8295

Place of Signature: Hyderabad
Date: 14/05/2026

Consolidated Balance Sheet

as at 31st March 2026

₹ in lakhs

Particulars	Notes	As at 31st March 2026	As at 31st March 2025
ASSETS			
NON-CURRENT ASSETS			
(a) Property, plant and equipment	2A	88,192.11	76,623.16
(b) Capital work-in-progress		4,981.23	6,297.31
(c) Intangible assets	2B	580.60	785.66
(d) Capital work-in-progress-Intangible		-	8.31
(e) Right - of - use assets	2C	12,902.69	11,680.93
(f) Goodwill		13,609.05	13,609.05
(g) Financial Assets			
(i) Investments	3A	4.98	0.03
(ii) Other financial assets	3B	184.22	1,730.90
(h) Other non-current assets	4	2,791.53	4,179.96
TOTAL NON - CURRENT ASSETS		**1,23,246.41**	**1,14,915.31**
CURRENT ASSETS			
(a) Inventories	5	39,490.77	32,910.83
(b) Financial Assets			
(i) Investments	6A	1.62	1.16
(ii) Trade receivables	6B	20,625.15	25,455.21
(iii) Cash and Cash equivalents	6C	11,944.92	9,865.34
(iv) Other bank balances	6D	2,727.44	4,180.13
(v) Other financial assets	6E	455.89	347.71
(c) Other current assets	7	15,285.73	12,728.89
TOTAL CURRENT ASSETS		**90,531.52**	**85,489.27**
TOTAL ASSETS		**2,13,777.93**	**2,00,404.58**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	8	1,883.10	1,883.10
(b) Other equity	9	96,806.85	87,982.40
TOTAL EQUITY		**98,689.95**	**89,865.50**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	10 A	38,081.32	28,127.15
(ii) Lease liability	10 B	7,721.55	8,467.61
(iii) Other financial liabilities		1.36	0.36
(b) Provisions	11	2,376.16	2,627.82
(c) Deferred tax liabilities (net)	12	2,365.23	1,498.85
TOTAL NON-CURRENT LIABILITIES		**50,545.62**	**40,721.79**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13A	31,803.35	29,717.53
(ii) Lease liability	13B	3,452.20	2,671.92
(iii) Trade payables	13C		
Dues to micro and small enterprises		717.79	598.01
Dues to other than micro and small enterprises		23,609.24	32,153.83
(iv) Other financial liabilities	13D	2,455.47	2,586.31
(b) Other current liabilities	14	1,120.31	1,155.80
(c) Provisions	15	838.84	823.61
(d) Income tax liabilities (net)	16	545.16	110.28
TOTAL CURRENT LIABILITIES		**64,542.36**	**69,817.29**
TOTAL EQUITY AND LIABILITIES		**2,13,777.93**	**2,00,404.58**

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

As per our report of even date

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

For **Talati & Talati LLP** Chartered Accountants Firm's Registration Number: 110758W/W100377	**Sharad B Pitti** Founder & Chairman DIN:00078716	**Akshay S Pitti** Managing Director & Chief Executive Officer DIN:00078760	**Y B Sahgal** Independent Director DIN:01622420
Amit Shah Partner M.No: 122131	**M Pavan Kumar** Chief Financial Officer M.No: 216936		**Mary Monica Braganza** Company Secretary & Chief Compliance Officer M.No:F5532
Place : Hyderabad Date : 14th May 2026	Place : Hyderabad Date : 14th May 2026		

Consolidated Statement of Profit and Loss

for the year ended 31st March 2026

₹ in lakhs

Particulars	Notes	For the year ended 31st March 2026	For the year ended 31st March 2025
INCOME			
Revenue from operations	17	1,91,280.36	1,70,456.71
Other income	18	4,011.01	3,879.30
TOTAL INCOME		**1,95,291.37**	**1,74,336.01**
EXPENSES			
Cost of Materials consumed	19	1,18,357.77	1,05,295.87
Purchase of stock-in-trade		1,966.72	-
Changes in inventories of work-in-process, finished goods and scrap	20	(4,355.65)	(3,643.54)
Employee benefits expenses	21	16,659.13	14,073.51
Finance costs	22	8,340.50	6,779.03
Depreciation and amortisation expenses	2	10,466.01	8,051.66
Other expenses	23	27,098.78	27,619.31
TOTAL EXPENSES		**1,78,533.26**	**1,58,175.84**
Profit Before Tax		**16,758.11**	**16,160.17**
TAX EXPENSES	24		
(a) Current tax		4,204.11	3,827.61
(b) Tax relating to earlier years		(130.90)	(82.42)
(c) Deferred tax		904.15	186.35
TOTAL TAX EXPENSES		**4,977.36**	**3,931.54**
Profit for the Period		**11,780.75**	**12,228.63**
Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans		217.50	(81.31)
Income tax relating to items that will not be reclassified subsequently to profit or loss		(54.74)	20.47
(ii) Items that will be reclassified subsequently to profit or loss			
Fair value Changes of Cashflow Hedges		(367.53)	-
Income Tax relating to items that will be reclassified subsequently to Profit or Loss		92.50	-
Total other comprehensive income		**(112.27)**	**(60.84)**
Total Comprehensive Income		**11,668.48**	**12,167.79**
Earnings per Equity Share of Face Value of ₹ 5/- each	25.1		
(a) Basic (₹)		31.77	33.32
(b) Diluted (₹)		31.77	33.32

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

As per our report of even date

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

For **Talati & Talati LLP** Chartered Accountants Firm's Registration Number: 110758W/W100377	**Sharad B Pitti** Founder & Chairman DIN:00078716	**Akshay S Pitti** Managing Director & Chief Executive Officer DIN:00078760	**Y B Sahgal** Independent Director DIN:01622420
Amit Shah Partner M.No: 122131	**M Pavan Kumar** Chief Financial Officer M.No: 216936		**Mary Monica Braganza** Company Secretary & Chief Compliance Officer M.No:F5532
Place : Hyderabad Date : 14th May 2026	Place : Hyderabad Date : 14th May 2026		

Consolidated Statement of Changes in Equity

for the year ended 31st March 2026

(A) EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	Note No.	Amount
Balance as at 1st April 2024		1,602.92
Changes in equity share capital during the year		280.18
Balance as at 31st March 2025	8	1,883.10
Balance as at 1st April 2025		1,883.10
Changes in equity share capital during the year		-
Balance as at 31st March 2026	**8**	**1,883.10**

(B) INSTRUMENT ENTIRELY EQUITY IN NATURE

₹ in lakhs

Particulars	Note No.	Amount
Balance as at 1st April 2024		109.44
Changes in equity share capital during the year		(109.44)
Balance as at 31st March 2025	8	-
Balance as at 1st April 2025		-
Changes in equity share capital during the year		-
Balance as at 31st March 2026	**8**	**-**

(C) OTHER EQUITY

₹ in lakhs

Particulars	Reserves and Surplus							Items of other comprehensive income			
	Securities premium	Capital reserve	General reserve	Retained Earnings	Share based payment reserve	ESOP Trust reserve	Treasury shares	Equity Instruments through other comprehensive income	Other items of other comprehensive income	Cashflow Hedge reserve	Total Other Equity
Balance as at 1st April 2024	8,106.46	12,055.29	750.48	25,255.34	-	-	-	(187.81)	(400.04)	-	45,579.72
Profit for the Period	-	-	-	12,228.63	-	-	-	-	-	-	12,228.63
Actuarial Gain /(Loss)	-	-	-	-	-	-	-	-	(60.84)	-	(60.84)
Total Comprehensive Income for the FY 2024-25											**12,167.79**
Dividends	-	-	-	(531.97)	-	-	-	-	-	-	(531.97)
Premium on equity shares issued during the year	35,829.25	-	-	-	-	-	-	-	-	-	35,829.25
Adjusted against share issue expenses	(1,122.77)	-	-	-	-	-	-	-	-	-	(1,122.77)
Share based payment expense					58.52	-	-	-	-	-	58.52
Purchase of Treasury shares by ESOP Trust during the year	-	-	-	-	-	-	(3,998.14)	-	-	-	(3,998.14)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2025	**42,812.94**	**12,055.29**	**750.48**	**36,952.00**	**58.52**	**-**	**(3,998.14)**	**(187.81)**	**(460.88)**	**-**	**87,982.40**
Balance as at 1st April 2025	42,812.94	12,055.29	750.48	36,952.00	58.52	-	(3,998.14)	(187.81)	(460.88)	-	87,982.40
Profit for the Period	-	-	-	11,780.75	-	-	-	-	-	-	11,780.75
Actuarial Gain /(Loss)	-	-	-	-	-	-	-	-	162.76	-	162.76
Fair value Changes of Cashflow Hedges	-	-	-	-	-	-	-	-	-	(275.03)	(275.03)
Total Comprehensive Income for the FY 2025-26											**11,668.48**
Dividends	-	-	-	(564.80)	-	-	-	-	-	-	(564.80)
Share based payment expense	-	-	-	-	1,025.52	-	-	-	-	-	1,025.52
Net income of ESOP Trust for the year	-	-	-	-	-	5.92	-	-	-	-	5.92
Purchase of Treasury shares by ESOP Trust during the year	-	-	-	-	-	-	(3,310.67)	-	-	-	(3,310.67)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2026	**42,812.94**	**12,055.29**	**750.48**	**48,167.95**	**1,084.04**	**5.92**	**(7,308.81)**	**(187.81)**	**(298.12)**	**(275.03)**	**96,806.85**

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Y B Sahgal
Independent Director
DIN:01622420

Amit Shah
Partner
M.No: 122131

M Pavan Kumar
Chief Financial Officer
M.No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Consolidated Statement of Cash Flows

for the year ended 31st March 2026

₹ in lakhs

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax	16,758.11		16,160.17	
Adjusted for				
Depreciation and amortisation expenses	10,466.01		8,051.66	
Interest Income	(404.39)		(803.05)	
Credit Risk Impaired	10.44		26.11	
Credit Risk Allowance	(11.67)		4.12	
(Gain) / Loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	20.97		(7.62)	
(Gain)/ Loss on Lease modification	(0.53)		(1.88)	
Re-measurement gains/(losses) on employee defined benefit plans	217.50		(81.31)	
Re-measurement gains/(losses) on Investments	(0.46)		(0.07)	
Fair value of Changes in Cashflow Hedge	(367.53)		-	
Unrealised foreign exchange differences	468.78		65.73	
Finance Costs	8,340.50		6,779.03	
Dividend income	(0.02)		(0.02)	
Share based payment expense	1,025.54		58.51	
Other non cash adjustment	5.92	36,529.17	-	30,251.38
Operating Profit before Working Capital changes		**36,529.17**		**30,251.38**
Working Capital changes adjusted for				
Trade & Other Receivables	5,182.15		(859.50)	
Inventories	(6,579.95)		(3,379.93)	
Trade and other payables	(11,117.93)		6,595.99	
		(12,515.73)		**2,356.56**
Cash Generated From Operations		**24,013.44**		**32,607.94**
Direct Taxes Paid		(3,522.15)		(3,754.35)
Cash Flow before extraordinary items		**20,491.29**		**28,853.59**
Net Cash Flow From Operating Activities - (A)		**20,491.29**		**28,853.59**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Investments		(4.95)		(22,579.54)
Purchase of Property, Plant & equipment and intangibles		(17,309.23)		(30,999.69)
Advances to Property, Plant & equipment and intangibles		1,228.15		2,828.61
Right of Use of Assets		(3,168.43)		(4,444.63)
Bank deposits maturing more than 12 months		1,000.00		-
Receipt of Deposits		100.00		-
Proceeds from sale of property, plant & equipment		210.99		762.87
Dividend income received		0.02		0.02
Interest income received		454.03		810.45
Net Cash used in Investing Activities - (B)		**(17,489.42)**		**(53,621.91)**

Consolidated Statement of Cash Flows

for the year ended 31st March 2026 (Contd.)

₹ in lakhs

Particulars	For the year ended 31st March 2026		For the year ended 31st March 2025	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of equity shares (net of issue expenses)	-		34,685.89	
Cash Payments for Principal portion of lease liability	484.06		3,072.41	
Cash Payments for Interest portion of lease liability	(449.84)		(69.84)	
Proceeds from Borrowings - Noncurrent (including current maturities)	30,982.69		24,488.26	
Repayment of Borrowings - Noncurrent (including current maturities)	(15,649.15)		(21,058.01)	
Proceeds/(repayments) of short-term borrowings (Net)	(5,573.55)		(1,263.03)	
Purchase/sale of own equity instruments	(3,310.67)		(3,998.14)	
Finance charges	(8,196.94)		(6,756.22)	
Term Deposit Accounts with financial institutions	1,354.59		(1,640.22)	
Payment of Dividend	(562.90)		(529.17)	
Long Term Deposits received	1.32		-	
Unclaimed Dividend	(1.90)		(2.80)	
		(922.29)		**26,929.13**
Net Cash used in Finance Activities - (C)		**(922.29)**		**26,929.13**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)		**2,079.58**		**2,160.81**
Opening Balance in Cash and Cash Equivalents		**9,865.34**		**7,704.53**
Closing Balance in Cash and Cash Equivalents		**11,944.92**		**9,865.34**
Components of cash and cash equivalents:				
Cash on hand		5.79		5.15
Balances with Banks				
Current Accounts		7,143.73		6,311.21
EEFC Accounts		1,295.40		3,248.98
Term Deposit Accounts with in 3 months of maturity (Without lien)		3,500.00		300.00
Total Cash and Cash Equivalents		**11,944.92**		**9,865.34**

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Y B Sahgal
Independent Director
DIN:01622420

Amit Shah
Partner
M.No: 122131

M Pavan Kumar
Chief Financial Officer
M.No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Notes to Consolidated Financial Statements

for the year ended 31st March 2026

NOTE 1: CORPORATE INFORMATION & MATERIAL ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION

Pitti Engineering Limited ("The Company") is a public Company incorporated in India. The registered office of the Company is located at 4th floor, Padmaja Landmark, Somajiguda, Hyderabad – 500 082, Telangana India. Its shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

The Company and its Subsidiaries are collectively referred to as 'The Group'. The Group is engaged in the manufacturing of engineering products of iron and steel including castings, electrical steel laminations, stator & rotor core assemblies, sub-assemblies, pole assemblies, die-cast rotors, press tools and high precision machining of various metal components.

The Consolidated financial statements as at 31st March 2026 present the financial position of the Group.

1.2 MATERIAL ACCOUNTING POLICIES

1.2.1 STATEMENT OF COMPLIANCE

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

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

The Consolidated financial statement of the Company for the year ended 31st March 2026 were approved for issue in accordance with the resolution of the Board of Directors on 14th May 2026.

1.2.2 PRINCIPLES OF CONSOLIDATION

(a) The financial statements of the Company and its Group are combined on a line-by-line basis by adding together like - items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intragroup transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

(c) The Consolidated financial statements have been prepared using uniform accounting policies like transactions and other events in similar circumstances.

(d) The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

1.2.3 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of Accounting

The consolidated financial statements represent consolidation of accounts of "Pitti Engineering Limited (PEL)", its subsidiaries as detailed below

S. No.	Name of the Company	Country of Incorporation	Proportion of ownership interest as at		Status of Audit for 2025-26
			31st March 2026	31st March 2025	
1	Pitti Industries Private Limited	India	100%	100%	Audited
2	Dakshin Foundry Private Limited	India	100%	100%	Audited

The Consolidated financial statements comprise financial statements of Pitti Engineering Limited ('The Parent' or 'The Company'), its wholly owned subsidiaries Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited) and Dakshin Foundry Private Limited being the entities that it controls collectively, 'the Group'. Control is assessed in accordance with the requirement of Ind AS 110 – Consolidated financial statements.

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

(b) Significant accounting judgments, estimates and assumptions

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

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

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

(c) Current / Non-Current Classification

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

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current

A liability is current when

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) it does not have the right at the end of the reporting period to defer settlement of the liability for atleast twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

1.2.4A. PROPERTY, PLANT AND EQUIPMENT

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

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

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

The Group does not recognise in the carrying amount of an item of property, plant & equipment the cost of day-to-day servicing of the item. Rather these costs are recognised in Profit & Loss as incurred. Costs of day-to-day servicing are primarily the costs of labour and consumables and may include the cost of small parts. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the item of property, plant and equipment.

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

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

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

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

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

Property, plant and equipment are eliminated from Consolidated financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised 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 recognised in the Statement of Profit and Loss in the year in which it is incurred.

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

Category of Asset	**Estimated useful live as assessed by the Management**	**Useful lives as per Schedule II to the Act**
Factory Building	3-30 years	30 years
Leasehold Building	3-30 years	30 years
Furniture and Fixtures	1-14 years	10 years
Patterns Match Plates	2-10 years	15 years
Plant & Machinery	1-20 years	15 years
Electricals	1-30 years	10 years
Office Equipment	2-15 years	5 years
Lab & Test Equipment	2-15 years	10 years
Other Miscellaneous Equipment	2-25 years	15 years
Vehicles-Motor Cycle	8 -10 years	10 years
Vehicles-Motor Cars	2-10 years	8 years
Computers - Servers	3-6 years	6 years
Computers - Desktops	2-8 years	3 years
Tools	3-15 years	15 years
Computer Software	3-10 years	3 years

B. INTANGIBLE ASSETS

Intangible assets are recognised 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 amortisation and impairment loss, if any.

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

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

Development expenditures on an individual product/project are recognised as an intangible asset when the Group can demonstrate, the technical feasibility of completing the intangible asset so that the asset will be available for use or sale, its intention to complete and use or sell the asset, its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the availability to measure reliably the expenditure during development.

Product development cost is amortised on a straight-line basis over a period of 60 months.

Subsequent cost

Subsequent costs incurred for replacement of a major component of an asset are included in the asset's carrying

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

cost or recognised as a separate asset, as appropriate. The carrying values of the replaced components are recognised to Statement of Profit and Loss when replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised 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 derecognised.

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 recognised in the statement of profit and loss when the asset is derecognised.

1.2.5IMPAIRMENT OF NON-FINANCIAL ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised 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 amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

1.2.6 REVENUE RECOGNITION

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

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

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

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

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

(a) Interest income

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

(b) Dividend income

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

(c) Other income

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

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

1.2.7INVESTMENTS

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

Investments are classified into current and non-current investments. Investments that are readily realisable 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 realised within twelve months from Balance Sheet date is also presented under "Current Investment" under "Current portion of long-term investments" in consonance with the current / non-current classification of Schedule III of the Act.

1.2.8INVENTORIES

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

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

(c) The cost of inventories is computed to include cost of purchases net of discount and rebates and includes, cost of conversion standard overheads and other related cost incurred in bringing the inventories to their present condition excludes GST eligible for credit / setoff.

(d) Net realisable 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.

1.2.9CASH AND CASH EQUIVALENTS

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

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

1.2.10FOREIGN CURRENCY TRANSACTIONS AND BALANCES

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

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

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

(a) Initial Recognition

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised 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 recognised in the Statement of Profit and Loss. Non-Monetary assets are recorded at the rates prevailing on the date of the transaction.

1.2.11EMPLOYEE BENEFITS

Short term employee benefits

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

Post-employment benefits

Defined Contribution Plan

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

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

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

Defined Benefit Plan

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

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

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

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

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

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

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

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

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

(ii) Net interest expense or income

Termination Benefits

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

Employee Share based payments

The Group operates equity settled share-based plan for the employees (Referred to as Employee Stock Option Plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group estimate of equity shares that will eventually vest, with a corresponding increase in equity (Share based payment reserve). At the end of each reporting period, the Group revises its estimate of the number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Consolidated statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustment to the Share based payment reserves.

Treasury shares

The Group has established the Pitti Engineering Limited Employee Welfare Trust for administering its Employee Stock Option Scheme and provided a loan to the Trust for acquiring the Company's shares from the secondary market, of which shares were purchased during the year. As the Trust is considered an extension of the Company, all transactions between the Company and the Trust including the loan and the investment in shares have been eliminated in the standalone financial statements, and the shares held by the Trust have been treated as treasury shares. These shares are recognised at cost and are disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Consolidated Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

1.2.12 BUSINESS COMBINATIONS

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets transferred, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognised in the consolidated Statement of Profit and Loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised, as applicable. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

1.2.13 BORROWING COSTS

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

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

1.2.14 LEASES

The Group as a lessee

As per Ind AS-116, the Group has recognised lease liabilities and corresponding equivalent right-of-use assets. The Group's lease asset primarily consist of leases for land, buildings, plant and machinery and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

(i) The contract involves the use of an identified asset

(ii) The Group has substantially all the economic benefits from use of the asset through the period of the lease and

(iii) The Group has the right to direct the use of the asset

At the date of commencement of the lease the group recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases the group recognises the lease payments on straight line basis as an operating expense in profit and loss account.

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

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

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

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

1.2.15 EARNINGS PER SHARE

The basic Earnings Per Share ('EPS') is computed by dividing the net profit after tax for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year, adjusted with treasury shares.

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. After considering the number of options as per Scheme, the effect is antidilution, hence there is no change in diluted earning per share.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

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

1.2.16SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Founder & Chairman and Managing Director & Chief Executive Officer have been identified as the Chief Operating Decision Maker. Refer note 25.6 for the segment information presented.

1.2.17PROVISIONS AND CONTINGENCIES

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

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

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

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

1.2.18TAXATION

Current Income Tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

Deferred Tax

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

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised.

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

1.2.19FINANCIAL INSTRUMENTS

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

Financial Assets

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

(i) Debt instruments at amortised 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)

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

Debt Instruments at Amortised Cost

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

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

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised 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 recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

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

Derecognition

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

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

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

  (a) The Group has transferred substantially all the risks and rewards of the asset, or

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

Impairment of Financial Assets

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

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

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

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

Financial Liabilities

Initial Recognition and Measurement

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

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

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

Subsequent Measurement

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

Loans and Borrowings

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

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

Derecognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

Derivative Financial Instrument and Hedge Accounting

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

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange relating to Imports and Exports. The instruments are confined principally to forward foreign exchange contracts and options stratagies. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond twelve months.

Derivative financial instruments are initially recognised at fair value on the date of the contract and are subsequently remeasured at fair value at each reporting date.

Derivatives are recognised as financial assets or liabilities based on their fair value.

The mark-to-market (MTM) gains or losses on derivatives are recognised in the Statement of Profit and Loss at each reporting date, except where hedge accounting is applied.

The Group designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges. Hedge relationships are formally documented at inception and effectiveness is assessed on an ongoing basis.

Cash Flow Hedge

The effective portion of changes in fair value is recognised in Other Comprehensive Income and accumulated in equity. The ineffective portion is recognised in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to profit or loss when the hedged item affects profit or loss.

Fair Value Hedge

Changes in fair value of both the hedging instrument and the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss.

Derivatives not Designed as hedges

These are measured at fair value through profit or loss, with all changes in fair value recognised in the Statement of Profit and Loss Hedge accounting is discontinued when the hedging relationship ceases to qualify, and the accounting treatment thereafter follows Ind AS 109.

Fair Value Measurement

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

Levels of Risk in Fair Value Measurement

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

Level 2 – The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.

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

1.2.20 EXCEPTIONAL ITEM

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

1.2.21 GOVERNMENT GRANT

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

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

1.2.22 RECENT ACCOUNGING PRONOUNCEMENT

Ministry of Corporate Affairs ("MCA") has notified amendments to the existing standards Ind AS 1 – Presentation of financial statements relating to classification of liabilities as current or non-current subject to covenants, Ind AS 12 – Income Taxes relating to international tax reforms – Pillar Two Model Rules, Ind AS 21 – the effect of changes in foreign exchange rates and Ind AS 107 – Financial Instruments: Disclosures applicable from 1st April 2025. The Group has assessed that there is no significant impact on its financial statements with respect to the amendments in Ind AS 1, Ind AS 21 and Ind AS 12. The Group has evaluated and provided disclosure with respect to supplier financing arrangements in note no.25.7 (B)

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE : 2

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

₹ in lakhs

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 1st April 2025	Additions	Acquisitions through Business Combinations	Deletions	Adjustment	As at 31st March 2026	As at 1st April 2025	Acquisitions through Business Combinations	For the year	Deletions	Adjustments	As at 31st March 2026	As at 31st March 2026	As at 31st March 2025
Property, Plant & Equipment														
Land	8,884.71	690.42	-	-	-	9,575.13	-	-	-	-	-	-	9,575.13	8,884.71
Factory Building														
- on Own premises	20,969.38	2,607.61	-	-	-	23,576.99	3,261.57	-	856.18	-	-	4,117.75	19,459.24	17,707.81
- on Lease hold Property	1,459.43	4.70	-	-	-	1,464.13	921.32	-	55.03	-	-	976.35	487.78	538.11
Office Building														
- on Lease hold Property	179.62	24.11	-	-		203.73	28.43	-	17.08	-	-	45.51	158.22	151.19
Plant & Equipment*	73,925.48	12,281.67	-	(451.55)	457.73	86,213.33	34,312.32	-	5,597.66	(354.37)	225.88	39,781.49	46,431.84	39,613.16
Tools	8,911.84	2,825.30	-	(332.96)	-	11,404.18	2,110.42	-	1,280.23	(282.21)	-	3,108.44	8,295.74	6,801.42
Patterns, Match plates & Mould Box	628.90	60.52	-	(27.42)	-	662.00	326.90	-	81.67	(27.42)	-	381.15	280.85	302.00
Office Equipment	853.00	875.44	-	(12.36)	-	1,716.08	441.63	-	146.18	(12.07)	-	575.74	1,140.34	411.37
Furniture & Fixtures	823.27	491.75	-	-	-	1,315.02	424.60	-	91.85	-	-	516.45	798.57	398.67
Other-Computers	744.72	113.34	-	(108.51)	-	749.55	510.36	-	105.67	(103.15)	-	512.88	236.67	234.36
Vehicles	2,065.24	40.91	-	(102.29)	-	2,003.86	484.88	-	234.39	(43.14)	-	676.13	1,327.73	1,580.36
Sub Total	**1,19,445.59**	**20,015.77**	**-**	**(1,035.09)**	**457.73**	**1,38,884.00**	**42,822.43**	**-**	**8,465.94**	**(822.36)**	**225.88**	**50,691.89**	**88,192.11**	**76,623.16**
Capital Work In Progress	6,297.31	19,316.28		-	(20,632.36)	**4,981.23**							**4,981.23**	**6,297.31**

During the current year, ₹ Nil (Previous year ₹ 410.81 lakhs) interest capitalised on term loans.

Capital work in progress ageing schedule

₹ in lakhs

Particulars	As at 31st March 2026					As at 31st March 2025				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4,441.30	505.62	34.31	-	4,981.23	6,139.26	151.93	6.12	-	6,297.31
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**4,441.30**	**505.62**	**34.31**	**-**	**4,981.23**	**6,139.26**	**151.93**	**6.12**	**-**	**6,297.31**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE : 2B INTANGIBLE ASSETS

₹ in lakhs

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 1st April 2025	Additions	Acquisitions through Business Combinations	Deletions	Adjustment	As at 31st March 2026	As at 1st April 2025	Acquisitions through Business Combinations	For the year	Deletions	Adjustments	As at 31st March 2026	As at 31st March 2026	As at 31st March 2025
Computer Software	988.22	99.91	-	(287.86)	-	800.27	647.16	-	71.34	(273.47)	-	445.03	355.24	341.06
Product Development Expenses	2,537.36	-	-	-	-	2,537.36	2,092.76	-	219.24	-	-	2,312.00	225.36	444.60
Sub Total	**3,525.58**	**99.91**	**-**	**(287.86)**	**-**	**3,337.63**	**2,739.92**	**-**	**290.58**	**(273.47)**	**-**	**2,757.03**	**580.60**	**785.66**
Capital Work In Progress	8.31			-	(8.31)	-							-	8.31

Capital Work in Progress ageing schedule - Intangible

₹ in lakhs

Particulars	As at 31st March 2026					As at 31st March 2025				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-	8.31	-	-	-	8.31
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**8.31**	**-**	**-**	**-**	**8.31**

NOTE: 2C RIGHT OF USE ASSETS

₹ in lakhs

Particulars	GROSS BLOCK						DEPRECIATION						NET BLOCK	
	As at 1st April 2025	Additions	Acquisitions through Business Combinations	Deletions	Adjustment	As at 31st March 2026	As at 1st April 2025	Acquisitions through Business Combinations	For the year	Deletions	Adjustments	As at 31st March 2026	As at 31st March 2026	As at 31st March 2025
Land	227.69	-	-	-	-	227.69	107.28	-	17.86	-	-	125.14	102.55	120.41
Building	3,007.19	399.35	-	(48.00)	-	3,358.54	954.31	-	276.70	(42.67)	-	1,188.34	2,170.20	2,052.88
Plant and Machinery*	11,818.75	2,769.08	-	-	(457.73)	14,130.10	2,359.19	-	1,402.19	-	(225.88)	3,535.50	10,594.60	9,459.56
Vehicles	114.27	-	-	-	-	114.27	66.19	-	12.74	-	-	78.93	35.34	48.08
Subtotal	**15,167.90**	**3,168.43**	**-**	**(48.00)**	**(457.73)**	**17,830.60**	**3,486.97**	**-**	**1,709.49**	**(42.67)**	**(225.88)**	**4,927.91**	**12,902.69**	**11,680.93**
"Grand Total (A+B+C) Excluding CWIP"	**1,38,139.07**	**23,284.11**	**-**	**(1,370.95)**	**-**	**1,60,052.23**	**49,049.32**	**-**	**10,466.01**	**(1,138.50)**	**-**	**58,376.83**	**1,01,675.40**	**89,089.75**
Previous Year	82,945.49	41,952.80	15,360.26	(2,119.47)	-	1,38,139.08	36,492.42	5,848.67	8,051.66	(1,343.42)		49,049.33	89,089.75	46,453.07

*Adjustment pertains to derecognition of right-of-use (ROU) asset and recognition of property plant and equipment

Note:

For security / mortgage, refer notes 10A & 13A

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 3A : INVESTMENTS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
I. Unquoted		
Equity Shares-(measured at cost)		
Saraswat Co-operative Bank Limited 50 (Previous year of 50) Equity Shares of ₹ 10/- each	0.01	0.01
S.V. Co-operative Bank Limited 49,700 (Previous year of 250) Equity Shares of ₹ 10/- each	4.97	0.02
TOTAL	**4.98**	**0.03**
(a) Aggregate carrying value of quoted investment	-	-
(b) Aggregate market value of quoted investment	-	-
(c) Aggregate carrying value of unquoted investment	4.98	0.03
(d) Aggergate amount of impairment in value of investment.	-	-

NOTE 3B : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Term Deposits with Finacial Institutions	-	1,550.44
Security Deposits:		
With Lessor	153.59	163.20
With Suppliers	30.63	17.26
TOTAL	**184.22**	**1,730.90**

NOTE 4 : OTHER NON CURRENT ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Unsecured, considered good		
Capital Advance for Property, Plant and Equipment	2,193.34	3,421.49
Prepaid Expenses - Rent Deposits	-	37.24
Gold Coins	1.49	1.49
Deposits:		
With government bodies	596.70	719.74
TOTAL	**2,791.53**	**4,179.96**

NOTE 5 : INVENTORIES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
(At lower of cost or Net realisable value)*		
Raw Material	18,686.99	16,798.81
Material in Transit - Raw Material	184.78	337.88
Work in process	11,709.14	7,870.66
Finished goods	4,961.02	4,426.98
Stores and spares	3,845.78	3,356.57
Scrap	103.06	119.93
TOTAL	**39,490.77**	**32,910.83**

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

Note:

For security / hypothecation, refer note 10A & 13A.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 6A : INVESTMENTS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Investment in Equity Shares		
I. Quoted		
Development Credit Bank Limited 1,000 (Previous year 1,000) Equity Shares of ₹ 10/- each Presented as per Fair Market Value as per Ind AS Requirement	1.58	1.12
II. Unquoted		
Saraswat Co-operative Bank Limited 50 (Previous year 50) Equity Shares of ₹ 10/- each	0.01	0.01
S.V. Co-operative Bank Limited 250 (Previous year 250) Equity Shares of ₹ 10/- each	0.03	0.03
TOTAL	**1.62**	**1.16**
(a) Aggregate carrying value of quoted investment	1.58	1.12
(b) Aggregate market value of quoted investment	1.58	1.12
(c) Aggregate carrying value of unquoted investment	0.04	0.04
(d) Aggergate amount of impairment in value of investment.	-	-

NOTE 6B : TRADE RECEIVABLES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Trade Receivables considered good - Secured*	1,276.05	1,289.37
Trade Receivables considerd good - Unsecured**	19,391.58	24,234.32
Trade Receivables - credit impaired	10.44	26.11
Total	**20,678.07**	**25,549.80**
Less : Allowance for credit losses	52.92	94.59
TOTAL	**20,625.15**	**25,455.21**

*Sales against Letter of Credit

**Trade Receivables includes amount receivable from Related parties, for details please refer note no: 25.8

Trade Receivables ageing schedule for the year ended 31st March 2026

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	16,761.01	3,818.21	43.71	-	-	44.70	20,667.63
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables — credit impaired	-	0.17	5.50	3.98	-	0.79	10.44
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	-
Total	**16,761.01**	**3,818.38**	**49.21**	**3.98**	**-**	**45.49**	**20,678.07**
(vii) Less : Allowances for Credit losses	-	-	4.40	3.59	-	44.93	52.92
Total	**16,761.01**	**3,818.38**	**44.81**	**0.39**	**-**	**0.56**	**20,625.15**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 6B : TRADE RECEIVABLES (CONTD.)

Trade Receivables ageing schedule for the year ended 31st March 2025

₹ in lakhs

Particulars	Outsanding for following periods from due date of payment						
	Amount not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables — considered good	20,410.00	5,061.76	5.59	0.05	-	46.29	**25,523.69**
(ii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables — credit impaired	-	-	3.15	3.50	19.46	-	**26.11**
(iv) Disputed Trade Receivables — considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-	**-**
Total	**20,410.00**	**5,061.76**	**8.74**	**3.55**	**19.46**	**46.29**	**25,549.80**
(vii) Less : allowances for Credit losses	-	42.46	5.36	1.42	0.51	44.84	94.59
Total	**20,410.00**	**5,019.30**	**3.38**	**2.13**	**18.95**	**1.45**	**25,455.21**

NOTE 6C : CASH AND CASH EQUIVALENTS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Cash on Hand	5.79	5.15
Balances with banks		
Current Accounts	7,143.73	6,311.21
EEFC Accounts	1,295.40	3,248.98
Term Deposit Accounts with in 3 months of maturity	3,500.00	300.00
Cash & Cash equivalents - Total	**11,944.92**	**9,865.34**

NOTE 6D : OTHER BANK BALANCES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Bank Balances other than cash & cash equivalents mentioned above		
Unclaimed dividend account	14.90	13.00
Balance with Kotak Securities Limited	-	1.96
Term Deposits - held as margin money for NFB limits	2,712.54	4,065.17
Other Deposits	-	100.00
Other Bank Balances - Total	**2,727.44**	**4,180.13**

NOTE 6E : OTHER FINANCIAL ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Interest accrued on Deposits	70.87	129.43
Earnest Money Deposit Amount	20.00	50.24
Derivative financial Asset	365.02	168.04
TOTAL	**455.89**	**347.71**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 7 : OTHER CURRENT ASSETS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
(Unsecured and considered good)		
Advances to:		
Material suppliers/contractors	1,599.33	796.54
Central Excise, Sales Tax, GST etc.,	2,383.94	2,143.75
Employees	4.62	4.66
Other	10.69	-
Export Incentive Receivables	162.26	508.10
State Industrial Promotion Subsidy receivables	9,655.16	8,032.32
Deposit with Income Tax Authorities	293.54	232.00
Income tax paid under protest	2.89	184.62
CSR Prespent expenses	394.38	-
Prepaid expenses	778.92	826.90
TOTAL	**15,285.73**	**12,728.89**

NOTE 8 : EQUITY SHARE CAPITAL

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Authorised Capital		
33,37,85,000 (Previous Year 33,37,85,000) Equity Shares of ₹ 5/- each	16,689.25	16,689.25
TOTAL	**16,689.25**	**16,689.25**
Issued, Subscribed and Paid up		
3,76,53,588 Equity shares of ₹ 5/- each (Previous year 3,20,50,067)	**1,882.68**	**1,882.68**
8,300 Equity Shares forfeited of ₹ 5/- each (Previous year 8,300)	0.42	0.42
Instrument Entirley Equity in nature*		
Nil(Previous year 21,88,772) Equity Shares of ₹ 5/- each	-	-
TOTAL	**1,883.10**	**1,883.10**

Notes

(a) Reconciliation of equity shares

Particulars	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Issued, subscribed and paid-up capital				
At the beginning of the period	3,76,53,588	1,882.68	3,20,50,067	1,602.50
Issued during the period	-	-	56,03,521	280.18
At the closing of the period	**3,76,53,588**	**1,882.68**	**3,76,53,588**	**1,882.68**

*Current year nil (Previous year: During the year, the Company raised capital through a Qualified Institutions Placement (QIP) in compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. On 11th July 2024, the Company allotted 34,14,749 equity shares of face value ₹ 5/- each at an issue price of ₹ 1,054.25 per share (including a share premium of ₹ 1,049.25 per share) to eligible Qualified Institutional Buyers (QIBs), aggregating to ₹ 35,999.99 lakhs. Expenses amounting to ₹ 1,122.77 lakhs incurred in connection with the QIP have been adjusted against the Securities Premium Account in accordance with the applicable accounting standards)

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 8 : EQUITY SHARE CAPITAL (CONTD.)

Particulars	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Instrument Entirely Equity in nature				
At the beginning of the period	-	-	21,88,772	109.44
Converted into equity*	-	-	(21,88,772)	(109.44)
At the closing of the period	**-**	**-**	**-**	**-**

*Current year nil (Previous year :The Board of Directors, at its meeting held on 15th June 2023, approved a Scheme of Amalgamation between Pitti Castings Private Limited (PCPL), Pitti Rail and Engineering Components Limited (PRECL), and Pitti Engineering Limited (PEL). The Scheme was sanctioned by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench, on 3rd October 2024 and became effective upon filing with the Registrar of Companies on 24th October 2024. The appointed date for the amalgamation is 1st April 2023. Pursuant to the Scheme and in accordance with the approved share exchange ratio, 21,88,772 equity shares of PEL were allotted to the eligible shareholders of PCPL on 13th November 2024.)

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

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

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

Name	As at 31st March 2026		As at 31st March 2025	
	No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
Shri Sharad B Pitti	44,38,653	11.79	44,38,653	11.79
Shri Akshay S Pitti	34,71,687	9.22	34,71,687	9.22
Pitti Electrical Equipment Private Limited	1,07,14,039	28.45	1,07,14,039	28.45
SBI Mutual Fund	22,89,766	6.08	11,72,697	3.11

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

Promoter Name	As at 31st March 2026		As at 31st March 2025		
	No. of Shares	% of Total Shares	No. of Shares	% of total shares	% Change during the year
Shri Sharad B Pitti	44,38,653	11.79	44,38,653	11.79	-
Shri Akshay S Pitti	34,71,687	9.22	34,71,687	9.22	-
Smt Madhuri S Pitti*	17,58,620	4.67	17,58,620	4.67	-
Pitti Electrical Equipment Private Limited*	1,07,14,039	28.45	1,07,14,039	28.45	-
Sharad B Pitti HUF*	17,000	0.05	17,000	0.05	-

* Promoter Group

(e) Dividend paid

Particulars	2025-26	2024-25
Dividend Paid (₹ in lakhs)	564.80	531.97
Dividend Paid per share (₹)	1.50	1.50

The Board of Directors have recommended a final dividend of ₹ 2.50 per equity share of ₹ 5/- each for the year ended 31st March 2026 subject to approval of members of the Company at the ensuing 42nd Annual General Meeting.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 9 : OTHER EQUITY

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Securities premium		
At the beginning of the year	42,812.94	8,106.46
Add: during the period	-	35,829.25
Less: Equity issue expenses written (off)/back during the year	-	(1,122.77)
At the closing of the period	**42,812.94**	**42,812.94**
Capital reserve		
At the beginning of the year	12,055.29	12,055.29
Add: during the period	-	-
At the closing of the period	**12,055.29**	**12,055.29**
General reserve		
At the beginning of the year	750.48	750.48
Less: adjustment as per Schedule - II of Companies Act 2013	-	-
Add: Transferred from P&L Account during the year	-	-
At the closing of the period	**750.48**	**750.48**
Retained earnings		
At the beginning of the year	36,952.00	25,255.34
Less : Final dividend declared for previous year	(564.80)	(531.97)
Add : Profit for the year	11,780.75	12,228.63
Less : Transferred to general reserve during the year	-	-
At the closing of the period	**48,167.95**	**36,952.00**
Share based payment reserve		
At the beginning of the year	58.52	-
Add: Share based payment expense	1,025.52	58.52
Less : Allotment of shares	-	-
At the closing of the period	**1,084.04**	**58.52**
ESOP trust reserve		
At the beginning of the year	-	-
Add : Profit for the year	5.92	-
At the closing of the period	**5.92**	**-**
Treasury shares		
At the beginning of the year	(3,998.14)	-
Purchase of shares by ESOP Trust during the year	(3,310.67)	(3,998.14)
At the closing of the period	**(7,308.81)**	**(3,998.14)**
Items of Other Comprehensive Income		
Remeasurement of the net defined benefit (liability)/assets	(298.12)	(460.88)
Fair value Changes of Cashflow Hedges	(275.03)	-
Change in fair value of investments	(187.81)	(187.81)
At the closing of the period	**(760.96)**	**(648.69)**
TOTAL	**96,806.85**	**87,982.40**

Securities premium

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

The utilisation of securities premium will be as per the Provisions of the Act.

Capital reserve

A Capital Reserve amounting to ₹ 12,055.29 lakhs has been created pursuant to the amalgamation of Pitti Castings Private Limited and Pitti Rail and Engineering Componenets Limited with the Company, in accordance with the scheme of amalgamation approved by the Hon'ble National Company Law Tribunal (NCLT).

General reserve

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 9 : OTHER EQUITY (CONTD.)

Retained earnings

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

Share based payment reserve

This represents the fair value of the stock options granted by the Company under the Pitti ESOP 2024 scheme accumulated over the vesting period. This will be utilised on exercise of the options.

ESOP trust reserve

This represents net income of the ESOP trust.

Treasury shares

This represents cost incurred by the Company to purchase its own equity shares from secondary market through the Company's ESOP Trust for issuing the shares to the eligible employees on exercise of stock options granted under the Pitti ESOP 2024 Scheme.

NOTE 10 A : BORROWINGS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Secured Loans		
Term Loans from Banks (Refer Note a)	35,635.48	17,009.97
Term Loans from others (Refer Note b)	2,193.94	10,717.66
Sub total	**37,829.42**	**27,727.63**
Vehicle Loans		
From Lenders (Refer Note c)	251.90	399.52
Sub total	**251.90**	**399.52**
TOTAL	**38,081.32**	**28,127.15**

Terms and Conditions of Loans and Security

(a) Term Loans from Banks

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025		
Term Loans	30,635.48	17,009.97	7,962.89	3,880.34	Monthly/Quarterly instlments payable over remaining period of 9 years.	Notes 1
WCTL	5,000.00	-	-	-	Monthly instlments payable over remaining period of 4 years.	Notes 2
Total - (a)	**35,635.48**	**17,009.97**	**7,962.89**	**3,880.34**		

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 10 A : BORROWINGS (CONTD.)

(b) Term Loans from Others

₹ in lakhs

Secured Loans	Long Term		Term loan instalments due less than 12 months		Repayment Terms	Security
	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025	Outstanding Amount as at 31st March 2026	Outstanding Amount as at 31st March 2025		
Term Loans	2,193.94	10,717.66	621.02	1,821.02	Monthly/Quarterly instlments payable over remaining period of 6 years.	Notes 1
Total -(b)	**2,193.94**	**10,717.66**	**621.02**	**1,821.02**		
Total - (a+b)	**37,829.42**	**27,727.63**	**8,583.91**	**5,701.36**		

(c) Vehicle loans are secured by hypothecation of vehicles funded by respective lenders. Vehicle loans are repayable in monthly instalments till April 2029

Notes :

1) Pari passu 1st charge on present and future fixed assets of the Company and pari passu 2nd charge on present and future current assets of the Company and guaranteed by the Promoter of the Company. Term Loans from banks carry interest rates in the range of 8.14% p.a. to 8.65% p.a. Term Loans from others lenders carry interest rates in the range of 9.95% p.a. to 11.10% p.a.

2) Pari Passu 2nd charge on the current assets, movable fixed assets and immovable fixed assets of the Company. Term Loans from banks carry interest rates in the range of 7.30% p.a. to 7.85% p.a.

(d) Changes in Non Current and Current Borrowings (Refer Note No. 10A & 13A)*

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	57,844.68	55,677.46
Cashflow	12,039.99	2,167.22
Closing Balance	**69,884.67**	**57,844.68**

* Refer Cash Flow Statement

NOTE 10B : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Lease Liability*	7,721.55	8,467.61
TOTAL	**7,721.55**	**8,467.61**

*Refer Note no: 25.7(B) & 25.14 Movement of Lease Liabilities

NOTE 11 : PROVISIONS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for Gratuity*	966.53	1,229.28
Provision for Leave encashment*	799.85	801.81
Provision for Dismantling of Property, Plant & Equipment#	609.78	596.73
TOTAL	**2,376.16**	**2,627.82**

* Refer Note no.25.4

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 11 : PROVISIONS (CONTD.)

Provision for Dismantling cost of Property, Plant & Equipment

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening balance	596.73	566.27
Add : Additions during the year	14.03	20.55
Add : Interest added during the year	21.56	26.89
Less : Utilised/reversed	(22.54)	(16.98)
Closing balance	**609.78**	**596.73**

NOTE 12 : DEFERRED TAX LIABILITIES (NET)*

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
At the beginning of the year	1,498.85	195.86
Acquisitions through Business Combinations	-	1,137.11
Provision for the year	866.38	165.88
Closing Balance	**2,365.23**	**1,498.85**

* Refer Note no.25.9(B)

NOTE 13A : BORROWINGS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Working capital borrowings from Banks (Secured) (Refer Note (a))	19,635.24	22,565.96
Working capital borrowings from Banks (Unsecured)	3,443.31	1,289.37
Current maturities of long term borrowings: (Refer Note (b))		
Term Loans	8,583.91	5,701.36
Vehicle Loans	140.89	160.84
TOTAL	**31,803.35**	**29,717.53**

Note:

(a) Working capital facilities are availed at interest rate ranging from 3.83% p.a. to 8.50% p.a. which are secured on a pari paasu 1st charge by way of hypothecation of current assets of the Company (present and future), pari passu 2nd charge on movable and immovable fixed assets of the Company and guaranteed by the Promoter of the Company.

(b) Refer Note 10A

NOTE 13B : LEASE LIABILITY

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Lease Liability*	3,452.20	2,671.92
TOTAL	**3,452.20**	**2,671.92**

*Refer Note no: 25.7(B) & 25.14 Movement of Lease Liabilities

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Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 13C : TRADE PAYABLES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Dues to micro enterprises and small enterprises*	717.79	598.01
Dues to other enterprises **#	23,609.24	32,153.83
TOTAL	**24,327.03**	**32,751.84**

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 Group on records.

* The amount mentioned is principal only.

**Trade Payable includes amount payable to related parties, for details please refer note no: 25.8

Liability under supplier financial arrangement - Refer note no. 25.7

Trade Payables ageing schedule for the year ended 31st March 2026

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed dues - MSME	717.79	-	-	-	-	**717.79**
(ii) Undisputed dues - Others	21,125.28	2,438.21	32.87	1.31	11.57	**23,609.24**
(iii) Disputed dues — MSME	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	**-**
Total ((i)+(ii)+(iii)+(iv)	**21,843.07**	**2,438.21**	**32.87**	**1.31**	**11.57**	**24,327.03**

Trade Payables ageing schedule for the year ended 31 st March 2025

₹ in lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) Undisputed dues - MSME	598.01	-	-	-	-	**598.01**
(ii) Undisputed dues - Others	29,434.92	2,621.02	41.16	30.65	26.08	**32,153.83**
(iii) Disputed dues — MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total ((i)+(ii)+(iii)+(iv)	**30,032.93**	**2,621.02**	**41.16**	**30.65**	**26.08**	**32,751.84**

NOTE 13D : OTHER FINANCIAL LIABILITIES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Unclaimed Dividend	14.90	13.00
Derivatie financial Liabilities	3.46	344.39
Interest accrued*#	244.86	104.35
Others	2,192.25	2,124.57
TOTAL	**2,455.47**	**2,586.31**

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 13D : OTHER FINANCIAL LIABILITIES (CONTD.)

 # Change in Interest accrued **

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	101.30	78.96
Cashflow	(101.30)	(78.96)
Accruals /Others	244.86	101.30
Closing Balance	**244.86**	**101.30**

** Refer Cash Flow Statement

NOTE 14 : OTHER CURRENT LIABILITIES

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Advances from Customers	671.52	796.50
Other Liabilities	448.79	359.30
TOTAL	**1,120.31**	**1,155.80**

NOTE 15 : PROVISIONS

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for employee benefits :		
Provision for Gratuity	25.46	21.31
Provision for Bonus	759.76	740.55
Provision for Leave Encashment	53.62	61.75
TOTAL	**838.84**	**823.61**

NOTE 16 : INCOME TAX LIABILITIES (NET)

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Provision for taxation (net)	545.16	110.28
TOTAL	**545.16**	**110.28**

NOTE 17 : REVENUE FROM OPERATIONS

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Sales & Services:		
Sale of Products	2,12,270.05	1,93,910.56
Sale of Traded Goods	2,288.00	-
Job work & Service Income	1,242.95	811.28
Gross Sales & Services (inclusive of GST)	**2,15,801.00**	**1,94,721.84**
Less : GST	(24,560.11)	(22,660.30)
Net Sales & Services	**1,91,240.89**	**1,72,061.54**
Sale of Products	1,88,240.04	1,71,340.44
Sale of Traded Goods	1,938.98	-
Job work & Service Income	1,061.87	721.10
Net Sales & Services	**1,91,240.89**	**1,72,061.54**
Less : Discounts to Customers	(1,473.38)	(2,937.89)
Revenue from Sales & Services	**1,89,767.51**	**1,69,123.65**
Export incentives and others	1,512.85	1,333.06
Revenue from Operations	**1,91,280.36**	**1,70,456.71**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 18 : OTHER INCOME

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Interest on Deposits	404.39	803.05
Profit on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	-	8.89
Profit on Lease Modification	0.53	1.88
State Industrial Promotion Subsidy	3,087.28	3,001.60
Forex gain on Export Receivacles and Imports Payacles	323.20	9.98
Other Misc. Receipts	195.13	53.88
Change in Fair Value of Investments	0.46	-
Dividend Income	0.02	0.02
TOTAL	**4,011.01**	**3,879.30**

NOTE 19 : COST OF MATERIAL CONSUMED

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Opening stock	17,136.69	17,412.56
Add: Purchases	1,22,059.57	1,04,676.49
Add : Acquisitions through Business Combinations	-	343.51
Less : Material in Transit - Raw Material	(184.78)	(337.88)
Less: Closing stock	(18,686.99)	(16,798.81)
Consumption	**1,20,324.49**	**1,05,295.87**

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

₹ in lakhs

Particulars		For the Year ended 31st March 2026	For the Year ended 31st March 2025
A.	**Opening stocks:**		
	Work-in-process	7,870.66	5,999.45
	Finished goods	4,426.98	2,188.18
	Scrap	119.93	122.24
	Acquisitions through Business Combinations	-	464.16
	Total - A	**12,417.57**	**8,774.03**
B.	**Closing stocks:**		
	Work-in-process	11,709.14	7,870.66
	Finished goods	4,961.02	4,426.98
	Scrap	103.06	119.93
	Total - B	**16,773.22**	**12,417.57**
C.	**(Increase)/Decrease in stocks (A-B)**	**(4,355.65)**	**(3,643.54)**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 21 : EMPLOYEE BENEFITS EXPENSES

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Employees remuneration and benefits	12,642.31	10,827.17
Contribution to PF/ESI*	640.62	591.94
Gratuity expenses*	349.32	380.55
Remuneration to Directors	627.11	889.71
Staff welfare expenses	1,374.25	1,325.63
Share based payment expenses	1,025.52	58.51
TOTAL	**16,659.13**	**14,073.51**

*Refer Note no.25.4

During the year ended 31st March 2026, the Group has recognised an amount of ₹ 844.99 lakhs (previous year: ₹ 1046.54 lakhs) as remuneration to Key Managerial Personnel. The details of such remuneration are as below

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Short-term employee benefits	830.15	1,034.92
Post-employment benefits*	14.84	11.62
Other long-term employee benefits	-	-
Share based payment expenses	-	-
TOTAL	**844.99**	**1,046.54**

* Does not include the provision made for gratuity and leave encashment benefits, as they are determined on an actuarial basis for the Group as a whole

NOTE 22 : FINANCE COSTS

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Interest on Long term debt*	3,490.49	2,904.92
Interest on short term debt	2,169.19	1,969.60
Interest others	909.14	485.99
Other Finance cost	1,138.31	1,207.71
Forex Loss/(Gain) (net)	633.37	210.81
TOTAL	**8,340.50**	**6,779.03**

*Interest capitalised during the year is ₹ Nil (Previous year ₹ 410.81 lakhs)

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE 23 : OTHER EXPENSES

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Consumption of Stores, Spares, Tools & Dies	5,296.96	6,393.15
Power & fuel	4,446.92	3,904.72
Repairs & Maintenance :		
Plant	808.99	753.45
Building	80.55	161.28
Vehicles	41.65	30.17
Maintenance charges	397.02	437.02
Other Assets	252.94	206.53
Loss on Sale of Property, Plant & Equipment (net off loss on assets scrapped/written off)	20.97	1.27
Contract Labour wages	5,987.46	5,597.39
Credit Risk Impaired	10.44	26.11
Credit Risk Allowance	-	4.12
Other selling & Distribution expenses	1,049.89	1,018.34
Packing Cost	2,559.36	2,153.57
Carriage outwards	1,937.99	1,806.30
Travelling & Conveyance	600.95	589.86
Insurance	662.41	559.42
Rent	97.55	95.82
Rates & Taxes (Excluding Taxes on Income)	204.30	527.66
Director's Sitting Fees	39.50	65.80
Forex loss on Export Receivables and Imports Payables	-	359.37
Remuneration to Auditors :		
Audit Fee	23.00	25.42
Tax Audit Fee	8.25	7.06
Certification Fee /Taxation matter	18.90	21.00
Out of Pocket Expenses	5.07	1.58
Communication Expenses	82.32	67.40
Professional Consultancy	1,002.07	1,501.66
CSR Expenses	577.19	261.84
CSR Prespent Expenses	(394.37)	-
Miscellaneous Expenses	1,280.50	1,042.00
TOTAL	**27,098.78**	**27,619.31**

NOTE 24 : TAX EXPENSES

₹ in lakhs

Particulars	For the Year ended 31st March 2026	For the Year ended 31st March 2025
Current tax	4,204.11	3,827.61
Tax relating to earlier years	(130.90)	(82.42)
Deferred tax (credit)/expenses	866.39	165.88
Deferred tax (credit)/expenses on other comprehensive income	37.76	20.47
TOTAL	**4,977.36**	**3,931.54**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25

25.1 Earnings Per Share (EPS) from continuing operations

₹ in lakhs

Particulars	For the Year 2025-26	For the Year 2024-25
Earnings		
Profit for the period attributable to owners of the group (₹ in lakhs)	11,780.75	12,228.63
Shares		
Number of shares at the beginning of the period	3,76,53,588	3,42,38,839
Add: Shares issued during the period through QIP	-	34,14,749
Total number of equity shares outstanding at the end of the period	3,76,53,588	3,76,53,588
Weighted average number of equity shares outstanding during the period	3,76,53,588	3,67,08,685
Less : Weighted average shares held by ESOP trust as treasury shares	(5,66,579)	(10,230)
Weighted average number of equity shares outstanding during the period	3,70,87,009	3,66,98,455
Earnings per share of par value ₹ 5/- Basic (₹)	**31.77**	**33.32**
Earnings per share of par value ₹ 5/- Diluted (₹)	**31.77**	**33.32**

25.2 Contingent Liabilities and Commitment

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
(A) Contingent Liabilities		
a. Claims against the Company not acknowledged as debts		
(i) Central exercise liability for which appeals preferred by the Company is pending with CESTAT, Bangalore for the FY 2008-09 and FY 2009-10	185.12 *	185.12 *
(ii) GST liability for which appeals to be filed with the Commissioner of appeals Hyderabad -1 for the FY 2017-18	21.08*	21.08*
(iii) GST liability for which appeals preferred by the Company is pending with the commissioner of appeals Hyderabad -1 for the FY 2016-17 to FY 2021-22	13.68*	13.68*
(iv) GST liability for which appeals are pending for the FY 2018-19	117.96	117.96
(v) GST liability appeal filed for the 2018 to 2023	491.14*	-
(vi) Income Tax liability for which appeal preferred by the Company is pending with Commissioner of Income Tax Hyderabad for the AY 2024-25	134.85*$	-
(vii) Income Tax Liability for which appeal preferred by the Company is pending with Commissioner of Income Tax, Hyderabad for the AY 2017-18#	-	923.08*
(viii) Income Tax Liability for which appeal preferred by the Company is pending with commissioner of Income tax Hyderabad for the AY 2019-20	8.19*	8.19*
b. Income Recognised against the scrip generation (under RodTEP scheme) and pending for generation of EBRC	**396.81**	**394.90**
c. Duty Payable in case nonperformance of Export obligation in futures periods against EPCG License	**2,515.15**	**2,348.39**
d. Duty Payable in case nonperformance Export obligation against advance Licenses	**302.97***	**6.21***
e. Bank guarantees	**3,311.96**	**1,430.07**
B) Commitments		
(i) Estimated amount of liability on account of Capital Commitments	5,032.17	6,556.72

* No provision is considered since the Company expects favourable decision, and the above liability is excluding Interest.

$ No provision is considered since the Company expects favourable decision, and the above liability is excluding Interest and Penalty.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

\# During the year the Order was received in favour of the Company.

The Company has deposited ₹ 2.89 lakhs (Previous year ₹ 184.62 lakhs) towards Income Tax liabilities which are classified under "Income tax paid under protest" and deposited ₹ 74.39 lakhs (Previous year ₹ 25.28 lakhs) towards GST liabilities which are classified under "Central Excise, Sales Tax, GST etc.," under Other Current Assets.

25.3 Capital Management

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

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

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

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

The table below summarises the capital, net debt, and net debt-to-equity ratio.

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Equity Share Capital	1,883.10	1,883.10
Other Equity	96,806.85	87,982.40
Total equity (A)	**98,689.95**	**89,865.50**
Non-Current borrowings	38,081.32	28,127.15
Current borrowings including interest accrued	32,048.21	29,821.88
Gross debt (B)	**70,129.53**	**57,949.03**
Total capital (A+B)	**1,68,819.48**	**1,47,814.53**
Gross debt as above	**70,129.53**	**57,949.03**
Less: Current investments	1.62	1.16
Less: Cash and cash equivalents	11,944.92	9,865.34
Less: Other balances with financial institutions	2,727.44	4,180.13
Net debt (C)	**55,455.55**	**43,902.40**
Net Debt to Equity	**0.56**	**0.49**

25.4 Employee Benefit Plans

As per Indian Accounting Standard 19 – "Employee Benefits", the disclosures as defined are given below

A) Defined Benefit Plan

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

Assumptions	Gratuity Plan		Leave Encashment Plan	
	2025-26	**2024-25**	**2025-26**	**2024-25**
Discount Rate	7.56%-7.73%	6.82%-6.89%	7.56%-7.73%	6.82%-6.89%
Rate of increase in Compensation levels	8% p.a.	8% p.a.	8% p.a.	8% p.a.
Rate of Return on Plan Assets	1.60% - 4.80%	7.23% - 7.40%	0%	0%
Expected Average remaining working lives of employees (years)	20-30 yrs	20-29 yrs	20-30 yrs	20-29 yrs

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

₹ in lakhs

Particulars	Gratuity Plan		Leave Encashment Plan	
	2025-26	2024-25	2025-26	2024-25
Expenses Recognised in the Statement of Profit and Loss				
Current Service Cost	232.95	278.73	207.26	231.10
Past Service Cost – non vested benefits	44.10	-	-	-
Past Service Cost – vested benefits	0.14	-	-	-
Interest Cost	136.77	115.64	52.70	35.45
Expected Return on Plan Assets	(64.65)	(11.01)	-	-
Expenses Recognised in the Statement of Profit & Loss	349.31	383.36		
Net actuarial (gain)/ loss recognised in the year	(217.50)	(81.31)	(148.76)	115.72
Total	131.81	302.05	111.20	382.27
Movements in the present value of the defined benefit obligation				
Present Value of Obligation as at the beginning of the year	2,086.53	1,502.18	863.56	515.52
Acquisition Adjustments	-	162.50	-	52.15
Interest Cost	136.77	115.82	52.70	35.45
Past Service Cost – non vested benefits	44.10	-	-	-
Past Service Cost – vested benefits	0.14	-	-	-
Current Service Cost	232.95	278.73	207.26	245.14
Benefits paid	(170.46)	(68.51)	(121.28)	(100.42)
Actuarial (gain)/ loss on obligations	(238.72)	95.81	(148.77)	115.72
Present Value of Obligation as at the end of the year	2,091.31	2,086.53	853.47	863.56
Movements in the fair value of the plan assets				
Fair Value of the Planned Assets at the beginning of the year	835.95	417.20	-	-
Acquisition Adjustments	-	18.34	-	-
Employer's contribution	396.31	435.86	-	-
Interest on Planned Assets	51.81	2.89	-	-
Actuarial Gain/(Loss) on Planned Assets	(20.87)	21.28	-	-
Actual return on plan assets less interest on plan assets	(0.36)	(0.39)	-	-
Expected return on plan assets	12.82	9.27	-	-
Benefits paid	(170.46)	(68.51)	-	-
Asset Acquired/(settled)	(5.88)	-	-	-
Present Value of Planned Assets at the end of the year	1,099.32	835.94	-	-
Amount to be recognised in Balance Sheet				
Present Value of Obligation as at the end of the year	2,091.31	2,086.53	853.47	863.56
Fair Value of Plan Assets as at the end of the year	1,099.32	835.94	-	-
Funded Status	(991.99)	(1,250.59)	(853.47)	(863.56)
Net Asset / (Liability) Recognised in Balance Sheet	(991.99)	(1,250.59)	(853.47)	(863.56)

Expected Contribution in respect of Gratuity for next year will be ₹ 232.93 lakhs (for the year ended 31st March 2025 ₹ 284.85 lakhs).

The Government of India has consolidated 29 existing labour legislations into a unified framework comprising four labour codes viz. the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Codes"). The Codes have been made effective from 21st November 2025. The corresponding rules under these codes are notified on 8th May,2026.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

The incremental impact of these changes as assessed by the Group based of the information available and consistent with the guidance provided by the Institute of Chartered Accountants of India has been recognised in the consolidated financial results of the Company for the financial year ended 31st March 2026.

Based on actuarial valuation, the Group recognised an incremental gratuity expense of ₹ 0.14 lakhs as past service cost under the head Employee benefit expenses during the financial year ended 31st March 2026. The impact of the change is not material. The Group shall evaluate further impact, if any, on the measurement of employee benefits and would provide appropriate accounting treatment as and when the relevant rules are notified by the Government.

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

₹ in lakhs

Particulars	2025-26	2024-25
With next 12 months	146.97	32.86
Between 2 to 5 years	278.95	423.16
Between 6 to 10 years	638.91	594.74
More than 10 years	6,867.17	6,701.97

Rate of return for the plan asset

Particulars	2025-26	2024-25
Guaranteed Rate of Return	1.60%-4.80%	6.83%-6.89%
Discounted Rate for remaining term to Maturity of Investment	7.56%-7.73%	6.83%-6.89%
Expected Rate of Return on Investment	1.60%-4.80%	6.82%-7.40%

Sensitivity Analysis – Gratuity Plan

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

₹ in lakhs

Particulars	Gratuity Plan			
	As at 31st March 2026		As at 31st March 2025	
	Decrease	Increase	Decrease	Increase
Change in Rate of discount (Delta effect of +/-1%)	2,408.38	1,831.24	2,288.62	1,797.54
Change in Rate of Salary Growth (Delta effect of +/-1%)	1,842.47	2,382.17	1,760.64	2,329.40
Change in Rate of Attrition (Delta effect of +/- 50%)	2,159.81	2,293.62	1,984.53	2,056.73
Change in Mortality Rate (Delta effect of +/-10%)	2,216.11	2,239.75	2,014.13	2,027.34

B) Defined Contribution Plan

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

₹ in lakhs

Description	2025-26	2024-25
Employer Contribution to ESI	34.43	45.59
Employer Contribution to PF	562.07	509.87
Employer Contribution to pension scheme	42.87	35.48
Labor welfare fund	1.25	1.00
Total	**640.62**	**591.94**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

C) Employee share-based payment plans

The Company has established the Pitti ESOP Scheme 2024, which was approved by the shareholders through a Special Resolution dated 13th June 2024. The objective of the scheme is to reward and motivate employees for their performance, enhance their contribution to the growth and profitability of the Group and promote long-term talent retention. The scheme is administered through the Pitti Engineering Limited Employee Welfare Trust, which has been set up specifically for this purpose.

Under the Pitti ESOP Scheme 2024, the Nomination and Remuneration Committee has been authorised to grant up to 13,00,000 stock options to eligible employees, in one or more tranches, each option conferring a right to apply for one fully paid-up equity share of the Company having a face value of ₹ 5/-. The total number of options that may be granted to any individual employee during the tenure of the scheme shall not exceed 2,00,000 options, in accordance with applicable laws and regulatory requirements.

In accordance with the terms of the scheme, the minimum vesting period of an option shall not be less than 12 months from the date of grant, or such other period as prescribed under the Companies Act, 2013 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. A minimum of 25%, and up to a maximum of 50%, of the granted options shall vest based on the satisfactory performance of the option grantee, as determined by the Nomination and Remuneration Committee at the time of grant. The remaining options shall vest over a period of 8 years from the date of grant, with a cliff period of 2 years. The vested options may be exercised by the grantee from the date of vesting up to a period of 5 years from the vesting of the final tranche.

Pursuant to the scheme, the Nomination and Remuneration Committee granted 7,47,500 stock options to eligible employees of Pitti Engineering Limited as on 13th March 2025, at an exercise price of ₹ 736.72 per option. In addition, 17,500 options were granted to employees of Pitti Industries Private Limited (PIPL) and 22,500 options to employees of Dakshin Foundry Private Limited (DFPL) on the same date and at the same exercise price.

The eligible employees receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share-based payment, the fair value of the options is determined on the grant date and is recognised as employee benefit expenses over the vesting period with a corresponding increase in equity. The fair value of the options at the grant date is determined by an independent valuer using the Black Scholes valuation model. At the end of each reporting period, apart from the non-market vesting conditions, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest.

The expenditure recognised under the Scheme for the year ended 31st March 2026 is ₹ 1,025.52 lakhs (Previous Year – 58.51 lakhs).

Changes in Treasury Shares*

₹ in lakhs

Particulars	As at 31st March 2026	As at 31st March 2025
Opening Balance	3,998.14	-
Accruals / Others	3,310.67	3,998.14
Closing Balance	**7,308.81**	**3,998.14**

*Refer Cash Flow Statement

Reconciliation of outstanding share options

Particulars	For the period ended 31st March 2026		For the period ended 31st March 2025	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Options outstanding at the beginning of the year	7,87,500	736.72	-	-
Granted during the year	-	-	7,87,500	736.72
Forfeited / surrendered during the year	65,000	736.72	-	-
Exercise during the year	-	-	-	-
Options outstanding at the end of the year	7,22,500	736.72	7,87,500	736.72
Options exercising at the end of the year	-		-	-
Weighted average remaining contractual life	11.95 Years		12.95 Years	

Weighted average share price on exercise of options is not applicable (Since, no share options are exercised during the period).

Fair value and weighted assumptions of the options granted

Particulars	
Exercise Price (₹)	736.72
Share price at the grant date (₹)	920.90
Fair value of option granted (₹)	662.29
Expected life of the option (years)	9.17 years
Risk free interest rate (%)	6.86%
Expected volatility (%)	51.57%
Dividend yield (%)	0.20%

25.5 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 & loans made are given in Note 25.8

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

25.6 Segment Reporting

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

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

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

Information by Geographies

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

a) Revenue from External Customers

₹ in lakhs

Sl. No	Segment Revenue	For the Year 2025-26	For the Year 2024-25
a)	India	1,38,149.74	1,20,417.27
b)	Outside India	53,130.62	50,039.44
	TOTAL	**1,91,280.36**	**1,70,456.71**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

b) Assets

₹ in lakhs

Segment Assets	Carrying amount of assets	
	As at 31st March 2026	As at 31st March 2025
India	2,07,004.47	1,85,914.51
Outside India	6,773.46	14,490.07
TOTAL	**2,13,777.93**	**2,00,404.58**

c) Revenue from Major Customers

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

Revenue from two customers of the Group, having more than 10% of the total revenue aggregating to ₹ 48,173.62 lakhs (previous year two customers ₹ 68,792.97 lakhs).

25.7 Financial Instruments

(A) Fair values hierarchy

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

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

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which 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

Fair value hierarchy

Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	FVTOCI	Amortised Cost
		Level 1	Level 2	Level 3		
31st March 2026						
Financial Asset						
Investment	6.60	1.58	-	-	-	5.02
Other financial asset	640.11	-	-	-	-	640.11
Trade receivables	20,625.15	-	-	-	-	20,625.15
Cash and cash equivalents	11,944.92	-	-	-	-	11,944.92
Other bank balances	2,727.44	-	-	-	-	2,727.44
Total (A)	**35,944.22**	**1.58**	**-**	**-**	**-**	**35,942.64**
Financial Liability (B)						
Borrowings	69,884.67	-	-	-	-	69,884.67
Lease liability	11,173.75	-	-	-	-	11,173.75
Other financial liabilities	2,456.83	-	-	-	-	2,456.83
Trade payables	24,327.03	-	-	-	-	24,327.03
Total (B)	**1,07,842.28**	**-**	**-**	**-**	**-**	**1,07,842.28**
Total (A+B) =C	**1,43,786.50**	**1.58**	**-**	**-**	**-**	**1,43,784.92**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Fair value hierarchy

Particulars	Total	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	FVTOCI	Amortised Cost
		Level 1	Level 2	Level 3		
31st March 2025						
Financial Asset						
Investment	1.19	1.12	-	-	-	0.07
Other financial asset	2,078.61	-	-	-	-	2,078.61
Trade receivables	25,455.21	-	-	-	-	25,455.21
Cash and cash equivalents	9,865.34	-	-	-	-	9,865.34
Other bank balances	4,180.13	-	-	-	-	4,180.13
Total (A)	**41,580.48**	**1.12**	**-**	**-**	**-**	**41,579.36**
Financial Liability						
Borrowings	57,844.68	-	-	-	-	57,844.68
Lease liability	11,139.53	-	-	-	-	11,139.53
Other financial liabilities	2,586.67	-	-	-	-	2,586.67
Trade payables	32,751.84	-	-	-	-	32,751.84
Total (B)	**1,04,322.72**	**-**	**-**	**-**	**-**	**1,04,322.72**
Total (A+B) = C	**1,45,903.20**	**1.12**	**-**	**-**	**-**	**1,45,902.08**

(B) Financial Risk Management

The Group has exposure to the following risk

Credit Risk

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

Liquidity Risk

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

The table below analyses financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

As at 31st March 2026

₹ in lakhs

Maturities of financial liabilities	Carrying Value	Contractual Cashflows	Less than 1 year	Between 1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings other than lease obligation including interest obligations	69,884.67	70,047.28	31,803.35	32,230.59	6,013.34
Lease obligations including interest obligations	11,173.75	15,408.42	3,447.40	8,251.39	3,709.63
Trade payables	24,327.03	24,327.03	24,327.03	-	-
Other financial liabilities	2,453.37	2,453.37	2,452.01	-	1.36
Derivative financial liabilities	3.46	3.46	3.46	-	-
Total	**1,07,842.28**	**1,12,239.56**	**62,033.25**	**40,481.98**	**9,724.33**

As at 31st March 2025

₹ in lakhs

Particulars	Carrying Value	Contractual Cashflows	Less than 1 year	Between 1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Borrowings other than lease obligation including interest obligations	57,844.68	57,990.52	29,717.53	25,324.42	2,948.57
Lease obligations including interest obligations	11,139.53	15,608.89	2,672.26	8,785.68	4,150.95
Trade payables	32,751.84	32,751.84	32,751.84	-	-
Other financial liabilities	2,242.28	2,242.28	2,241.92	-	0.36
Derivative financial liabilities	344.39	344.39	344.39	-	-
Total	**1,04,322.72**	**1,08,937.92**	**67,727.94**	**34,110.10**	**7,099.88**

The Group has entered into supplier finance arrangements to manage its working capital and liquidity risk categorised as follows

The Group has entered into supplier finance arrangements through the Trade Receivables Discounting System (TReDS) platform and Banks. Under these arrangements, participating financiers settle approved invoices of suppliers, and the Company undertakes to pay the financiers the invoice amount on the revised due date agreed under the arrangement. These arrangements do not involve the Group providing guarantees or collateral to the financiers.

There were no significant non-cash changes in the carrying amount included in the Group's supplier finance arrangement. The entire balance represents financial liabilities in respect of which suppliers have already received payment from finance providers under the supplier finance arrangements.

These arrangements continue to hold characteristics of trade payables and are disclosed as such.

₹ in lakhs

S No	Particulars	Amount
1	Carrying amount of financial liabilities that are part of a supplier finance arrangement	
	Presented in Trade and Other Payables	9,402.53
	- of which supplier have received payment from the finance provider	8,385.28
2	Range of payment due dates	
	Liabilities that are part of the arrangements	90-120 days from the date of invoice / Date of Discounting as applicable
	Comparable Liabilities that are not part of the arrangements	0-120 days from the date of receipt of goods or services

Market Risk

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

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

Cash flow from Supplier Financing Arrangement *

₹ in lakhs

Particulars	1st April 2025	Cashflow	31st March 2026
Carrying amount of financial liabilities that are part of a Supplier finance arrangement			
Presented in Trade and Other Payables	4,436.16	3,949.12	8,385.28
Total	**4,436.16**	**3,949.12**	**8,385.28**

*Refer Cash Flow Statement

A. Foreign Currency exchange risk

The Group operates globally, and a portion of the business transacted are carried out in more than one currency, hence it is exposed to currency risks through its transactions in foreign currency or where assets or liabilities are denominated in currency other than functional currency.

The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies including the use of derivatives like foreign exchange forward or option contracts to hedge exposure to foreign currency risks.

For every one percentage depreciation / appreciation in the exchange rate between the functional currency and foreign currency on the open exposure, the profit before tax of the Group on the open position as at the year-end for the year would increase or decrease as follows

₹ in lakhs

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Impact on profit before tax for the year	119.19	26.21

B. Interest Risk

The Group is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

For The Group floating rate borrowings, the analysis is prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25-basis point increase or decrease is used, which represents management's assessment of the reasonably possible change in interest rates.

₹ in lakhs

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Variable Cost Borrowings	69,844.67	57,844.68

In case of fluctuation in interest rates by 25 basis points and all other variables were held constant, the impact on profit before tax for the year due to fluctuation in the interest rate on the outstanding borrowings at the year end would increase or decrease as follow

₹ in lakhs

Particulars	For the year ended 31st March 2026	For the year ended 31st March 2025
Impact on profit before tax for the year	174.71	144.61

C. Disclosure Regarding Derivative Instruments and Unhedged Foreign Currency Exposure

The outstanding foreign currency derivative contracts as at 31st March 2026 & 31st March 2025 in respect of various types of derivative hedge instruments and nature of risk being hedged are as follows

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

(a) Foreign Currency exposure covered under Financial Hedge (Forward derivative contracts) in respect of Trade Exports, Imports, Other Receivables/Payables, Borrowings and Others

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	Indian Rupees in lakhs	Foreign Currency in lakhs	Indian Rupees in lakhs
Trade Receivables	USD	0.43	40.93	-	-
	EURO	1.82	198.23	-	-
Others	USD	20.00	1,893.09	101.83	8,714.58
Trade Payable	USD	49.14	4,651.40	6.82	584.14
	EURO	17.41	1,897.31	0.50	45.70
Others	USD	39.45	3,733.74	11.67	1,084.08
	EURO	8.67	944.63	19.91	1,838.01
	GBP	-	-	1.13	125.62

(b) Foreign Currency exposure covered under Natural Hedge in respect of Trade Exports, Imports, Other Receivables/ Payables, Borrowings and Others

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	Indian Rupees in lakhs	Foreign Currency in lakhs	Indian Rupees in lakhs
Trade receivables	USD	58.21	5,509.73	142.40	12,187.19
	EURO	9.26	1,009.69	6.47	597.22
EEFC Bank Account	USD	13.68	1,294.98	37.96	3,248.98
	EURO	0.00	0.42	-	-
Others	USD	102.73	9,724.10	45.34	3,880.10
Trade payables	USD	0.27	25.44	0.12	9.89
Borrowings	USD	174.35	16,503.41	225.59	19,306.38
	EURO	9.27	1,010.28	6.47	597.22

(c) Foreign currency exposures not covered by derivative instruments or otherwise as at 31st March 2026 & 31st March 2025 are as under

Particulars	Currency	As at 31st March 2026		As at 31st March 2025	
		Foreign Currency in lakhs	Indian Rupees in lakhs	Foreign Currency in lakhs	Indian Rupees in lakhs
Trade Receivables	EURO	2.17	236.91	18.23	1,683.10
	USD	2.05	194.39	2.12	181.78
Others	USD	7.60	719.84	-	-
Trade Payable	USD	0.48	45.47	0.69	59.32
Borrowings	USD	0.10	10.92	4.88	417.90
	EURO	0.08	8.29	9.34	862.69
	JPY	4,250.79	2,518.59	5,188.44	2,944.44
Others	USD	-	-	0.18	15.01

Derivative financial instruments and hedging activity

During the current financial year, the Group has designated eligible hedging relationships and commenced applying hedge accounting in accordance with Ind AS 109, Financial Instruments. Hedge accounting is applied prospectively from the date on which all qualifying criteria are satisfied. Accordingly, comparative information in respect of hedge accounting disclosures has not been presented/restated, as such information was not applicable in the previous reporting period.

The Group revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

The Board of Directors has constituted a Foreign Exchange Risk Management Committee (FERMC) to frame, implement and monitor the Foreign exchange risk management plan of the Group which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the FERMC, the Group uses various derivative instruments such as foreign exchange contract and options in which the counter party is generally a bank.

The following are outstanding forward exchange contracts, which have been designated as cash flow hedges

Particulars	As at 31st March 2026		
	No. of contracts	Notional amount of contracts (in lakhs)	Fair value (₹ in lakhs)
US Dollar	21	60.11	116.88
EURO	4	8.75	17.57

(a) Disclosure of effects of hedge accounting on financial position

Particulars	Notional amount of contracts (Foreign Currency in lakhs)	Carrying amount of hedge instrument (₹ in lakhs)		Hedge Maturity	Hedge ratio	Weighted average strike price/rate	Changes in fair value of hedging instrument (₹ in lakhs)	Change in fair value of hedged item used as basis for recognising hedge effectiveness (₹ in lakhs)
		Assets	Liabilities					
As at 31st March 2026								
Foreign Currency Risk								
Cash flow hedge-highly probable future transaction-USD								
Forward Contract-Highly Probable Forecasted Exports	20.00	-	3.46	30th April 2026	100%	94.90	(3.46)	3.46
Forward Contract-Highly Probable Forecasted Imports	40.11	120.34	-	April'26 to Jan'27	100%	93.11	120.34	(120.34)
Foreign currency risk-(Packing Credit facility)	111.53	-	10,556.92	June'26 to Sep'26	97.30%	90.58	479.54	457.88
Foreign currency risk-Borrowings	4.88	-	462.20	May'26 to April'27	46.82%	89.88	(24.22)	11.34
Cash flow hedge-highly probable future transaction-EURO								
Forward Contract-Highly Probable Forecasted Imports	8.75	17.57		April'26 to Jan'27	100%	109.26	17.57	(17.57)
Foreign currency risk-Borrowings	9.34	-	1,018.56	April'26 to Feb'28	99.38%	105.47	(32.96)	32.76
Fair value hedge- USD								
Forward Contract-Highly Probable Forecasted Imports	48.48	190.12	-	April'26 to July'26	100%	91.58	190.12	(190.12)
Foreign currency risk-(Packing Credit facility)	57.94	-	5484.29	July'26 to Sep'26	97.22%	90.32	261.48	(254.20)
Fair value hedge- EURO								
Forward Contract-Highly Probable Forecasted Imports	17.32	36.99	-	May'26 to Aug'26	100%	107.93	36.99	(36.99)

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

(b) Disclosure of effects of hedge accounting on financial performance

₹ in lakhs

Type of hedge and risks	Changes in fair value of hedging instruments recognised in OCI	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Line item in statement of profit and loss affected by reclassification
Cash flow hedge	-	-	-	NA
Forward contracts -Foreign currency risk	(367.53)	(25.88)	-	NA
Fair Value Hedge	-	-	-	NA
Forward contracts – Foreign currency risk	-	(7.20)	-	NA

The movement in cash flow hedging reserve for derivatives designated as cash flow hedges is as follows

₹ in lakhs

Particulars	Year ended 31st March 2026
As at 1st April 2025	-
(Gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	-
Deferred tax on (gain) / loss transferred to profit and loss on occurrence of forecasted hedge transactions	-
Change in the fair value of effective portion of cash flow hedges	(367.53)
Deferred tax on change in the fair value of effective portion of cash flow hedges	92.50
Balance as at 31st March 2026	(275.03)

Fair value Hedging instrument

Risk Type	Particulars	Nominal Value (In Foreign currency lakhs)	Carrying Amount (₹ in lakhs)		Changes in Fair Value (₹ in lakhs)	Hedge Maturity	Line Item in Balance Sheet
			Assets	Liabilities			
Foreign Currency Risk	Derivative Contracts-USD	48.48	190.12	-	190.12	April'26 to July'26	Current Other financial Asset
Foreign Currency Risk	Derivative Contracts-USD	57.94	-	5,494.76	(261.48)	July'26 to Sep'26	Current Borrowings
Foreign Currency Risk	Derivative Contracts-EURO	17.32	36.99	-	36.99	May'26 to Aug'26	Current Other financial Asset

Hedged Items

Risk Type	Particulars	Carrying Amount (₹ in lakhs)		Changes in Fair Value (₹ in lakhs)	Line Item in Balance Sheet
		Assets	Liabilities		
Foreign Currency Risk	Import Firm Commitments	-	227.11	(227.11)	Trade payable
Foreign Currency Risk	Export Firm Commitments	5,494.76	-	254.20	Trade Receivables

The Group designated certain hedging instruments under cash flow hedge accounting with effect from 1st January 2026 in accordance with applicable accounting standards. For the year ended 31st March 2026, on the occurrence of the forecasted hedged transactions, there was no amount transferred from the Cash Flow Hedging Reserve to the Consolidated Statement of Profit and Loss. Accordingly, the Net foreign exchange gain/(loss) recognised in the Statement of Profit and Loss for the year does not include any amount relating to cash flow hedge reclassification adjustments.

Net loss on derivative instruments of ₹ 367.53 lakhs recognised in cash flow hedging reserve as at 31st March 2026, is expected to be transferred to the statement of profit and loss by 31st March 2027. The maximum period over which the exposure to cash flow variability has been hedged is through 31st December 2026.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

25.8 Related party disclosures

Name of related party and description of relationship

A. Subsidiaries

1. Pitti Industries Private Limited (w.e.f. 6th May 2024)
   (Formerly Bagadia Chaitra Industries Private Limited)
2. Dakshin Foundry Private Limited (w.e.f. 25th July 2024)

B. Entity having significant influence over the entity

1. Pitti Electrical Equipment Private Limited

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

1. Pitti Trade & Investment Private Limited

D. Key Management Personnel

Board of Directors and Key Management Personnel

D.1. Executive Promoter Directors

1. Shri Sharad B Pitti, Founder & Chairman
2. Shri Akshay S Pitti, Managing Director & Chief Executive Officer

D.2. Independent & Non-Executive Directors

1. Shri S Thiagarajan (Up to 23rd April 2025)
2. Shri Y B Sahgal
3. Ms Kemisha Soni – Woman Director (From 14th August 2024)
4. Shri Vinod Nagururu Kumar (From 14th August 2024)
5. Ms Priti Paras Savla- Woman Director (From 14th August 2024)
6. Ms Gayathri Ramachandran, Woman Director (Up to 21st September 2024)
7. Shri G Vijaya Kumar (Up to 21st September 2024)
8. Shri M Gopalakrishna (Up to 21st September 2024)
9. Shri N R Ganti (Up to 21st September 2024)

D.3. Non-Independent & Non-Executive Director

1. Shri G Vijaya Kumar (From 5th February 2026)

D.4. Company Secretary

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

D.5. Chief Financial Officer

1. Shri M Pavan Kumar, Chief Financial Officer

D.6. Relative of Executive Promotor Director

1. Smt Madhuri S Pitti
2. Smt Radhika A Pitti
3. Sharad B Pitti (HUF)

Key Management Personnel of the subsidiaries

E. Pitti Industries Private Limited

E.1. Executive Directors

1. Shri Chaitra Sundaresh, Managing Director
2. Smt Ronak S Bagadia, Whole-Time Director (upto 6th May 2024)

E.2. Non-Executive Directors

1. Shri Sandip Agarwala, Director (w.e.f. 25th July 2024)

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

E.3. Company Secretary

1. Smt Nishitha Agarwal, Company Secretary

E.4. Relative of Executive Promotor Director

1. Shri Nishanth Sundaresh
2. Smt Ashwini M Sundaresh
3. Shri Shyam Uttarkar (upto 6th May 2024)

F. Dakshin Foundry Private Limited

F.1. Executive Directors

1. Ms. Shivangini Bhartia, Director (upto 25th July 2024)
2. Shri Nirmal Kumar Jain, Director (upto 25th July 2024)
3. Shri Vishwajeet Banerjee, Managing Director (upto 1st January 2025)

F.2. Company Secretary

1. Shri Yash Agarwal, Company Secretary (w.e.f. 12th November 2024 to 16th February 2026)
2. Smt Shivani Jain, Company Secretary (w.e.f. 13th May 2026)
3. Ms. Ankita Jain, Company Secretary (from 1st November 2023 to 19th April 2024)

Transaction with subsidiaries

"Inter-group related party transactions and outstanding balances with subsidiaries companies are eliminated in the preparation of Consolidated Financial Statement of the group. Hence the same has not been disclosed in group-related party transactions."

A. Transactions/balances outstanding with related parties

For the Financial Year 2025-26

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration (Refer note 2&3)	-	844.99	54.67	899.66
2	Rent / Lease Expenses	-	126.25	225.76	352.01
3	Rent / Lease Income	-	-	1.91	1.91
4	Purchases of goods	426.78	-	256.09	682.87
5	Amount payable at the year end	152.35	324.30	3.81	480.46
6	Amount receivable at the year end	-	20.21	40.02	60.23

Note:

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

2) Remuneration paid to the Key Management Personnel does not include the sitting fee amount of ₹ 39.50 lakhs to the Non -Independent, Independent Directors and Non-Executive Directors

3) The details of remuneration paid to key managerial personnel are provided in Note 21.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

For the previous Financial Year 2024-25

₹ in lakhs

Sl. No	Transactions / Outstanding balances	Entity having Significant influence over the entity	Key Management Personnel	Other related parties	Total
1	Remuneration (Refer note 2&3)	-	1,046.54	48.08	1,094.62
2	Reimbursement of Expenses	-	1.69	-	1.69
3	Rent / Lease Expenses	-	118.69	215.25	333.94
4	Rent / Lease Income	-	-	1.82	1.82
5	Purchases of goods & services	1,215.52	-	251.25	1,466.77
6	Interest paid	1,179.12	-	-	1,179.12
7	Unsecured Loan - received Accepted	75.08	-	-	75.08
8	Unsecured Loan – repaid	2,510.00	55.08	95.00	2,660.08
9	Amount payable at the year end	-	377.70	22.75	400.45
10	Amount receivable at the year end	-	20.21	40.02	60.23

Note

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

2) Remuneration paid to the Key Management Personnel does not include the sitting fee amount of ₹ 65.80 lakhs to the Independent Directors.

3) The details of remuneration paid to key managerial personnel are provided in note 21.

Terms & Conditions for Related Party Transactions

a) The Group has been entering into transactions with related parties for its business purposes. The related party transactions are entered in the ordinary course of business and on an arm's length basis, with the approval of the Audit Committee, Board of Directors and Shareholders, as applicable

b) Transactions with Related Parties are shown net of taxes

c) The remuneration to the key managerial personnel does not include the provisions made for gratuity, leave benefits, as they are determined on an actuarial basis for the Group as a whole.

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

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

₹ in lakhs

Sl. No.	Particulars	For the year 2025-26	For the year 2024-25
1	**Shri Sharad B Pitti**		
	- Remuneration	180.00	170.17
	- Lease rental	126.25	118.69
	- Amount payable at the year end	10.15	9.16
	- Amount receivable (rent deposit) at year end	20.21	20.21
2	**Shri Akshay S Pitti**		
	- Remuneration	447.11	493.37
	- Amount payable at the year end	276.51	332.13

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

₹ in lakhs

Sl. No.	Particulars	For the year 2025-26	For the year 2024-25
3	**Pitti Electrical Equipment Private Limited**		
	- Purchase of goods	426.78	1,215.52
	- Sale of goods	-	1,179.12
	- Interest on inter corporate deposits	-	75.08
	- Inter corporate deposits repaid	-	2,510.00
	- Amount payable at the year end	152.35	-

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

25.9 A. Income tax

₹ in lakhs

Particulars	Year ended 31st March 2026	Year ended 31st March 2025
Profit/(loss) before tax	16,758.11	16,160.17
Expected income tax expense at statutory income tax rate of 25.168% (2023-24: 25.168%)	4,217.68	4,067.19
(a) Disallowances in respect of impairment of investments and allowance	-	-
(b) Income exempt from tax/ Items not deductible/ adjustments in respect of prior periods	3,819.28	3,307.31
(c) Expenses allowable for tax purposes when paid/written of	(3,832.85)	(3,546.89)
Tax expense as reported	**4,204.11**	**3,827.61**

B) Deferred Tax

₹ in lakhs

Sl. No	Particulars	Deferred Tax (Liability)/ Asset as at 1st April 2025	Statement of Profit & Loss	Other Comprehensive income	Take over effect	Deferred Tax (Liability)/ Asset as at 31st March 2026
	Deferred tax assets					
1	Provision for Lease liability As per IND AS 116	1,538.12	267.53	-		1,805.65
2	Employee benefits	207.03	14.90	-		221.93
3	Provision for Dismantling Cost of Property, plant & equipment	150.19	3.28	-		153.47
4	Remeasurement of defined benefit plans	439.18	55.49	(54.74)		439.93
5	Share based payment expenses (ESOP)	15.15	264.28	-		279.43
6	Others	482.16	(477.45)	81.59		86.30
	Total (a)	**2,831.83**	**128.03**	**26.85**	**-**	**2,986.71**
	Deferred tax liabilities					
1	Difference between Depreciation as per Co's Act. & as per IT Act.	(4,285.34)	(1,028.45)	-		(5,313.79)
2	Remeasurement of defined benefit plans	-	1.04	-		1.04
3	Others	(45.34)	6.15	-		(39.19)
	Total (b)	**(4,330.68)**	**(1,021.26)**	**-**	**-**	**(5,351.94)**
	Deferred Tax Net (a-b)	**(1,498.85)**	**(893.23)**	**26.85**	**-**	**(2,365.23)**

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

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

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

25.12 During the current financial year, the Group carried out a technical assessment of certain items of property, plant and equipment. Based on this assessment, the useful lives and residual values of select assets have been revised to reflect their expected pattern of economic benefits.

This change constitutes a change in accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The revised useful lives and residual values have been applied prospectively from the date of assessment

The impact of this change on the depreciation expense for the current year and future years is as follows

₹ in lakhs

Year	2025-26	2026-27	2027-28
Impact on profit before tax	204.06	683.18	476.51

The Group believes that the revised estimates provide a more reliable representation of the consumption of economic benefits of the assets, in line with Ind AS 16 – Property, Plant and Equipment.

Comparative figures for prior periods have not been restated, as the change has been accounted for prospectively

25.13 Additional Information as required by Paragraph 2 of the General Instructions for preparation of consolidated Statements to Schedule III to the Companies Act, 2013

₹ in lakhs

Particulars	As at 31st March 2026		Year Ended 31st March 2026					
	Net Assets i,e Total Assets minus Total Liabilities		Share in Profit or Loss		Share in other comprehensive income		Share of total comprehensive income	
	As a % of Consolidated net assets	Amount	As a % of Consolidated profit or Loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Parent								
Pitti Engineering Limited	96.40%	95,135.55	82.78%	9,752.55	138.99%	(156.04)	82.24%	9,596.51
Subsidiary								
Pitti Industries Private Limited	4.79%	4,728.87	6.80%	800.67	(31.48%)	35.34	7.16%	836.01
Dakshin Foundry Private Limited	8.52%	8,411.71	10.79%	1,270.93	(7.51%)	8.43	10.96%	1,279.36
Total Elimination	(9.71%)	(9,586.18)	(0.37%)	(43.40)	-	-	(0.37%)	(43.40)
Total	**100%**	**98,689.95**	**100%**	**11,780.75**	**100%**	**(112.27)**	**100%**	**11668.48**

25.14 Movement of Lease Liabilities*

₹ in lakhs

Description	As at 31st March 2026	As at 31st March 2025
Balance at beginning of the year	11,139.53	8,136.51
Recognised during the year	2,103.75	5,358.25
Unwinding of interest on lease liabilities	714.61	545.90
Payment during the year	(2,778.49)	(2,896.50)
Written back during the year	(5.65)	(11.89)
Revaluation of lease liabilities	-	-
Effect of remeasurement / other adjustments	-	7.26
Balance at end of the year	11,173.75	11,139.53

* Refer Cash Flow Statement

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

25.15 Right of Use Assets

For the Financial Year 2025-26

₹ in lakhs

Particulars	Category of ROU Assets				Total
	Land	Building	Plant & Machinery	Vehicles	
Balance as on 1st April 2025	120.41	2,052.88	9,459.56	48.08	**11,680.93**
Reclassified on account of adoption of Ind AS 116	-	-	-	-	**-**
Additions/Adjustments	-	399.35	2,769.08	-	**3,168.43**
Deletions/Adjustments	-	(48.00)	(457.73)	-	**(505.73)**
Depreciation	(17.86)	(234.03)	(1,176.31)	(12.74)	**(1,440.94)**
Balance as on 31st March 2026	**102.55**	**2,170.20**	**10,594.60**	**35.34**	**12,902.69**

For the Financial Year 2024-25

₹ in lakhs

Particulars	Category of ROU Assets				Total
	Land	Building	Plant & Machinery	Vehicles	
Balance as on 1st April 2024	138.29	1,902.31	6,243.82	63.61	**8,348.03**
Reclassified on account of adoption of Ind AS 116	-	-	-	-	**-**
Additions/Adjustments	-	166.44	4,272.89	11.88	**4,451.21**
Acquisition Adjustments	-	189.26	-	-	**189.26**
Deletions/Adjustments	-	-	-	(10.24)	**(10.24)**
Depreciation	(17.88)	(205.13)	(1,057.15)	(17.17)	**(1,297.33)**
Balance as on 31st March 2025	**120.41**	**2,052.88**	**9,459.56**	**48.08**	**11,680.93**

25.16 Financial and Derivative Instruments

₹ in lakhs

Description	As at 31st March 2026	As at 31st March 2025
Forward Contracts	13,359.34	12,392.04

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

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

25.18 Business Combinations

Scheme of Amalgamation

The Board of Directors of Pitti Engineering Limited ("PEL" or "the Company"), at its meeting held on 5th February 2026, approved a Scheme of Amalgamation ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013, and the rules made thereunder. The Scheme provides for the amalgamation of Pitti Industries Private Limited (formerly Bagadia Chaitra Industries Private Limited) ("PIPL") and Dakshin Foundry Private Limited ("DFPL") with the Company, along with their respective shareholders and creditors.

PIPL and DFPL are wholly owned subsidiaries of the Company, engaged in similar lines of business. The proposed amalgamation is intended to simplify the group structure, improve operational efficiencies, enable optimal utilisation of resources, and achieve cost rationalisation through elimination of duplicate functions and economies of scale.

The National Company Law Tribunal ("NCLT"), vide its order dated 10th April 2026, dispensed with the requirement of convening meetings of the equity shareholders, secured creditors, and unsecured creditors of PIPL, DFPL, and the Company. The Company filed the second motion petition with the NCLT on 23rd April 2026 for sanction of the Scheme, which is pending approval as at the reporting date.

Notes to Consolidated Financial Statements

for the year ended 31st March 2026 (Contd.)

NOTE: 25 (CONTD.)

The Scheme is proposed to be effective from the appointed date of 1st April 2026, subject to receipt of necessary statutory and regulatory approvals and fulfilment of all conditions precedent specified therein.

As PIPL and DFPL are wholly owned subsidiaries of the Company, no consideration is payable pursuant to the Scheme. Upon the Scheme becoming effective, the entire issued, subscribed, and paid-up share capital of PIPL and DFPL shall stand cancelled and extinguished

25.19 Other Statutory Information

(i) The Group does not have any Benami property where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The quarterly returns or statements of current assets filed by the Group with banks or financial institutions are in agreement with the books of accounts.

(iii) The Group has not been declared willful defaulter by any bank or financial institution or Government or any Government authority.

(iv) The Group does not have any transactions with companies struck off.

(v) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(vi) The Group has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies (Restriction on number of Layers) Rules, 2017.

(vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies) including foreign entities (Intermediaries) with the understanding that the Intermediary shall

  (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

  (b) Provide any guarantee security or the like to or on behalf of the Ultimate Beneficiaries.

(viii) The Group has not received any fund from any person(s) or entity(ies) including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

  (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

  (b) Provide any guarantee security or the like on behalf of the Ultimate Beneficiaries.

(ix) The Group has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961).

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Y B Sahgal
Independent Director
DIN:01622420

Amit Shah
Partner
M.No: 122131

M Pavan Kumar
Chief Financial Officer
M.No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

FORM NO. AOC-1

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

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

PART-A: Subsidiaries

₹ in lakhs

Sl. No	Particulars	Details	Details
1.	Name of the subsidiary	Pitti Industries Private Limited (Formerly Bagadia Chaitra Industries Private Limited) (Wholly Owned Subsidiary)	Dakshin Foundry Private Limited (Wholly Owned Subsidiary)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3.	Date of acquiring subsidiary	6th May 2024	25th July 2024
4.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA
5.	Share capital	309.42	1,750.00
6.	Reserves & surplus	4,419.45	6,661.71
7.	Total Assets	14,170.01	9,463.29
8.	Total Liabilities	9,441.14	1,051.58
9.	Investments	Nil	Nil
10.	Turnover	31,450.31	6,705.22
11.	Profit before taxation	1,055.71	1,715.01
12.	Provision for taxation	255.04	444.08
13.	Profit after taxation	800.67	1,270.93
14.	Proposed Dividend	Nil	Nil
15.	% of shareholding	100%	100%

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

As per our report of even date

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

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

Sharad B Pitti
Founder & Chairman
DIN:00078716

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

Y B Sahgal
Independent Director
DIN:01622420

Amit Shah
Partner
M.No: 221671

M Pavan Kumar
Chief Financial Officer
M.No: 216936

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

Place : Hyderabad
Date : 14th May 2026

Place : Hyderabad
Date : 14th May 2026

Notice

Notice is hereby given that the 42nd Annual General Meeting of Pitti Engineering Limited will be held on Friday, 18th September 2026 at 4:00 P.M IST through Video Conferencing ("VC") /Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt:**

   a) the audited financial statements of the Company for the financial year ended 31st March 2026 and the reports of the Board of Directors and Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT the audited financial statements of the Company for the financial year ended 31st March 2026 and the reports of the Board of Directors and Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

   b) the audited consolidated financial statements of the Company for the financial year ended 31st March 2026 and the report of the Auditors thereon and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT the audited consolidated financial statements of the Company for the financial year ended 31st March 2026 and the report of the Auditors thereon as circulated to the Members, be and are hereby considered and adopted."

2. To declare a final dividend on equity shares of the Company for the year ended 31st March 2026 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT the final dividend of ₹ 2.50/- (50%) per equity share of face value ₹ 5/- each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March 2026 and the same be paid out of the profits of the Company."

3. 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 and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution.

   "RESOLVED THAT Shri Akshay S Pitti (DIN:00078760) who retires by rotation at this meeting and being eligible for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. To ratify the payment of remuneration to the Cost Auditors for the financial year 2026-27 and in this regard 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 2027 amounting to ₹ 5,00,000/- (Rupees five lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses incurred in connection with the audit, be and is hereby ratified."

5. To consider and approve the place for keeping the registers and returns at a place other than the registered office of the Company and in this regard to consider and if thought fit, to pass the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act'), and Rules framed there under (including any amendments thereto or re-enactment thereof) the consent of Members of the Company be is and is hereby accorded to maintain and keep the Registers as prescribed under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Company's Registrar and Transfer Agent ('RTA'), M/s MUFG Intime India Private Limited (Formerly Link Intime India Private Limited), presently situated at C 101, Embassy 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, or at such other place within Mumbai, where the RTA may shift its office from time to time instead of being kept at the Registered office of the Company.

   RESOLVED FURTHER THAT any of the Directors of the Company or the Company Secretary, be and are hereby severally authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

By order of the Board
For Pitti Engineering Limited

Mary Monica Braganza
Company Secretary & Chief Compliance Officer
FCS: 5532

Place: Hyderabad
Date: 10th August 2026

Notice (Contd.)

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") relating to the Special Business to be transacted at the AGM is annexed hereto. Details of Directors retiring by rotation is provided in the "Annexure-1" to the Notice.

2. The Ministry of Corporate Affairs ("MCA") has, vide its circular dated 22nd September 2025 read together with circulars dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 14th December 2021, 5th May 2022, 28th December 2022, 25th September 2023 and 19th September 2024 (collectively referred to as "MCA Circulars"), permitted convening the AGM through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Act read with Rules made thereunder and the SEBI Listing Regulations, the AGM of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. Further, SEBI vide its circulars dated 12th May 2020, 15th January 2021, 13th May 2022, 5th January 2023, 7th October 2023 and 3rd October 2024 ("SEBI Circulars") and other applicable circulars issued in this regard, have provided relaxations from compliance with certain provisions of the SEBI Listing Regulations.

3. In compliance with the aforesaid Circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/RTA. Members may note that the Notice and Annual Report 2025-26 will also be available on the Company's website www.pitti.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of MUFG, Registrar and Transfer Agent of the Company at https://instavote.linkintime.co.in

   Additionally, in accordance with Regulation 36 (1) (b) of the SEBI Listing Regulations, the Company is also sending a letter to members whose e-mail address is not registered with Company/ Depository Participant (DP) /RTA providing the exact web-link of Company's website from where the Annual Report for financial year 2025-26 can be accessed.

4. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with MUFG in case the shares are held by them in physical form.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to MCA and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in 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 and will also be available for electronic inspection by the members from the date of circulation of this Notice up to the date of this AGM. Members seeking to inspect such documents can send an e-mail to shares@pitti.in.

8. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 16th September 2026 through email on shares@pitti.in. The same will be replied by the Company suitably.

9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

10. **Dividend Related Information**

    The Record Date for determining the Members entitled to receive final dividend for the Financial Year ended 31st March 2026, subject to approval of the shareholders at this AGM is Friday, 11th September 2026.

    Subject to approval of the Members at the AGM, the final dividend will be paid within 30 days from the conclusion of the AGM, Dividend shall be subject to deduction of tax at source (TDS) and will be made through electronic mode as under:

    i. Shares held in electronic form: To all Beneficial Owners as per the details made available by DP as of close of business hours on Friday, 11th September 2026; and

    ii. Shares held in physical form: To all Members after giving effect to valid transmission or transposition requests lodged with the RTA, if any as of close of business hours on Friday, 11th September 2026.

Notice (Contd.)

Dividend to Members holding shares in Physical form

Folios of Members should be KYC compliant to receive the dividends directly in their bank accounts through National Automated Clearing System or any other electronic mode of remittance. Members are requested to send the following documents to RTA on or before the record date, i.e., Friday, 11th September 2026.

i. Form No. ISR-1 duly filled and signed by the holders stating their name, contact details, folio number, complete address with pincode and the bank account details;

ii. Original copy of cheque bearing the name of the Member or first holder, in case shares are held jointly

iii. Self-attested copy of the PAN Card of all holders

iv. Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company

v. Form ISR 2 duly filled and signed. The signature of holders should be attested by the Bank Manager;

vi. Form SH 13 – Nomination Form or Form ISR-3 – to opt out from Nomination

The above Investor Service Request Forms (ISR) are available on RTA's website at: https://web.in.mpms.mufg.com/KYC-downloads.html.

Dividend to Members holding shares in electronic form:

Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividends as per the applicable regulations and the Company will not accept any direct request for change/addition/deletion of such bank details.

Accordingly, the Members are requested to ensure that correct/latest complete bank details are updated against their demat account with their respective DPs.

Instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applied to the dividend paid on shares held in electronic form.

11. **Tax Deducted at Source ("TDS") on dividend**

    The Company is required to deduct TDS from the dividend to be paid to the Members as per rates prescribed under the Income Tax Act, 2025 ("IT Act") and the Finance Acts of the respective years.

    Members are requested to update their Residential Status, PAN details and Category with

    i. the DP (if shares are held in electronic form) or

    ii. the Company/RTA (if shares are held in physical form).

    Please send documents mentioned below to investor.helpdesk@in.mpms.mufg.com before Friday, 11th September 2026 to enable the Company to determine the appropriate TDS/withholding tax rate and provide exemption, if applicable.

    Please click here: https://web.in.mpms.mufg.com/client-downloads.html for downloading the required documents.

Key documents to be submitted/uploaded as per Income Tax Rules 2026:

Category of Shareholder	Documents(s) to be submitted / uploaded
Resident Individual shareholders with PAN* and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax	Form 121 (erstwhile Form No.15G or Form No.15H)
Non-resident shareholders [including Foreign Portfolio Investors (FPI)] who can avail beneficial rates under tax treaty between India and their country of tax residence	1. No Permanent Establishment Declaration 2. Beneficial Ownership Declaration 3. Tax Residency Certificate 4. Copy of electronically filed Form 41 (erstwhile Form 10F) 5. Any other document which may be required

** If PAN is not correct/invalid/inoperative then tax will be deducted at higher rates and credit of TDS will not be available. [Section 397 of the Income Tax Act, 2025].*

Notice (Contd.)

12. Unclaimed Dividend and Investor Education and Protection Fund (IEPF)

Shareholders/Members are requested to note that dividends remaining unclaimed for a consecutive period of seven years from the date of transfer to the Company's Unpaid Dividend Account, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). In addition, all shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.

In view of above Shareholders/Members are requested to claim their dividends from the Company, within the stipulated timeline as prescribed under the Companies Act 2013. Members intending to claim their unclaimed dividends are requested to correspond with the MUFG Intime India Private Limited at investor.helpdesk@in.mpms.mufg.com or write to the Company at shares@pitti.in.

The Members whose unclaimed dividends and/or shares have been transferred to IEPF may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on https://www.mca.gov.in.

13. Instructions for e-voting and joining the AGM are as follows:

Voting Through Electronic Means

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by MUFG, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

i. The remote e-voting period commences on Tuesday, 15th September 2026 (9:00 a.m. IST) and ends on Thursday, 17th September 2026 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on Friday, 11th September 2026 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by MUFG for voting thereafter.

ii. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

v. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at enotices@in.mpms.mufg.com or contact MUFG at 022 – 4918 6000. However, if he/she is already registered with MUFG for remote e-voting then he/ she can use his/her existing User ID and password for casting the vote.

vi. The Board of Directors have appointed Shri Saurabh Poddar (Membership No. FCS 9190 and CP No.10787) Proprietor of M/s Saurabh Poddar & Associates Company Secretaries (Firm UIN: S2012AP177700) as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.

vii. The Scrutiniser will, immediately after the AGM concludes, unblock and count the votes cast through remote e-voting and e-voting at the AGM. Within 2 working days from the conclusion of the AGM, the Scrutiniser will submit a consolidated report of the votes cast in favour and against the resolutions to the Chairman of the Company or a person authorised by him. Thereafter, the Chairman or the authorised person will declare the results. The result along with the Scrutiniser's Report shall be placed on the Company's website www.pitti.in and on the website of the website of e-voting agency i.e. MUFG at https://instavote.linkintime.co.in

The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Notice (Contd.)

LOGIN METHOD

The procedure to login and access e-voting, as implemented by the Depositories / Depository Participant(s), is given below:

Login method for Individual shareholders holding shares of the Company in demat mode through National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited: ("CDSL"):

NSDL	CDSL
METHOD 1 - NSDL OTP based login	**METHOD 1 - CDSL e-voting page**
a) Visit URL: https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp b) Enter your 8 - character DP ID, 8 - digit Client Id, PAN, Verification code and generate OTP. c) Enter the OTP received on your registered email ID/ mobile number and click on login. d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.	a) Visit URL: https://www.cdslindia.com. b) Go to e-voting tab. Enter 16-digit Demat Account Number (BO ID) and PAN No. and click on "Submit". c) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account. d) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.
METHOD 2 - NSDL IDeAS facility	**METHOD 2 - CDSL Easi/ Easiest facility:**
Shareholders registered for IDeAS facility:	**Shareholders registered for Easi/ Easiest facility:**
a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "IDeAS Login Section". b) Enter IDeAS User ID, Password, Verification code & click on "Log-in". c) Post successful authentication, you will be able to see e-Voting services under Value added services section. Click on "Access to e-Voting" under e-Voting services. d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.	a) Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or Visit URL: www.cdslindia.com, click on "Login" and select "My Easi New (Token)" b) Enter existing username, Password & click on "Login". c) Post successful authentication, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime. d) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Notice (Contd.)

NSDL	CDSL
Shareholders not registered for IDeAS facility:	**Shareholders not registered for Easi/ Easiest facility:**
i. To register, visit URL: https ://eservices. nsdl .com and select Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp	i. To register, visit URL: https://web.cdslindia.com/myeasitoken/Home/EasiRegistration/ https://web.cdslindia.com/myeasitoken/Home/EasiestRegistration.
ii. Enter 8-character DP ID, 8-digit Client ID, Mobile no, Verification code & click on "Submit".	ii. Proceed with updating the required fields for registration.
iii. Enter the last 4 digits of your bank account / generate 'OTP'	iii. Post successful registration, user will be provided username and password on the registered email id.
iv. Post successful registration, user will be provided with Login ID and password.	iv. Follow steps given above in points (a-c).
v. Follow steps given above in points (a-d). Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play	
METHOD 3 - NSDL e-voting website	
a) Visit URL: https://www.evoting.nsdl.com b) Click on the "Login" tab available under 'Shareholder/Member' section. c) Enter User ID (i.e., your 16-digit demat account no. held with NSDL), Password/OTP and a Verification Code as shown on the screen & click on "Login". d) Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services. e) Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.	

Individual Shareholders holding securities in demat mode with Depository Participant

Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, user shall navigate through "e-voting" option.

c) Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.

d) Post successful authentication, click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

Notice (Contd.)

Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode.

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register and vote on InstaVote as under:

<table>
<tr><th>STEP 1: Login / Signup on InstaVote</th><th></th></tr>
<tr><td>**Shareholders registered for INSTAVOTE facility:**</td><td>**Shareholders not registered for INSTAVOTE facility:**</td></tr>
<tr><td>
a) Visit URL: https://instavote. linkintime.co.in & click on "Login" under 'SHARE HOLDER' tab.
b) Enter details as under:
1. User ID: Enter User ID
2. Password: Enter existing Password
3. Enter Image Verification (CAPTCHA) Code
4. Click "Submit".
(Home page of e-voting will open. Follow the process given under "Steps to cast vote for Resolutions")
<table>
<tr><td>InstaVote USER ID</td><td>NSDL</td><td>User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (e.g.12345678).</td></tr>
<tr><td></td><td>CDSL</td><td>User ID is 16 Digit Beneficiary ID.</td></tr>
<tr><td></td><td>Shares held in physical form</td><td>User ID is Event No + Folio no. registered with the Company.</td></tr>
</table>
</td><td>
a) Visit URL: https://instavote.linkintime.co.in & click on **"Sign Up"** under 'SHARE HOLDER' tab & register with details as under:
1. User ID: Enter User ID
<table>
<tr><td>InstaVote USER ID</td><td>NSDL</td><td>User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (e.g.12345678).</td></tr>
<tr><td></td><td>CDSL</td><td>User ID is 16 Digit Beneficiary ID.</td></tr>
<tr><td></td><td>Shares held in physical form</td><td>User ID is Event No + Folio no. registered with the Company.</td></tr>
</table>
2. PAN: Enter your 10-digit Permanent Account Number (PAN) (Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
3. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format)
4. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
● Shareholders, holding shares in NSDL form, shall provide 'point 4' above.
● Shareholders, holding shares in CDSL form, shall provide 'point 3' or 'point 4' above.
● Shareholders, holding shares in **physical form** but have not recorded 'point 3' and 'point 4', shall provide their Folio number in 'point 4' above
5. Set the password of your choice.
(The password should contain minimum 8 characters, at least one special Character (!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
6. Enter Image Verification (CAPTCHA) Code.
7. Click "Submit" (You have now registered on InstaVote). Post successful registration, click on "Login" under 'SHARE HOLDER' tab & follow steps given above in points (a-b).
</td></tr>
</table>

STEP 2: Steps to cast vote for Resolutions through InstaVote

a) Post successful authentication and redirection to InstaVote inbox page, you will be able to see the "Notification for e-voting".

b) Select 'View' icon. E-voting page will appear.

c) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

Notice (Contd.)

d) After selecting the desired option i.e. Favour / Against, click on 'Submit'.

e) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

NOTE: Shareholders may click on "Vote as per Proxy Advisor's Recommendation" option and view proxy advisor recommendations for each resolution before casting vote. "Vote as per Proxy Advisor's Recommendation" option provides access to expert insights during the e-Voting process. Shareholders may modify their vote before final submission.

Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently.

Non-Individual Body corporate shareholders [i.e. other than individuals, HUF, NRI, etc.] are required to send a scanned copy (PDF/JPG Format] of the relevant Board Resolution/Authority letter etc., with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutiniser by email to saurabhpoddar1977@gmail.com with a copy marked to enotices@in.mpms.mufg.com.

Guidelines for Institutional shareholders ("Custodian / Corporate Body/ Mutual Fund")

Step 1 – Custodian / Corporate Body/ Mutual Fund Registration

A. Visit URL: https://instavote.linkintime.co.in

B. Click on "Sign Up" under "Custodian / Corporate Body/ Mutual Fund"

C. Fill up your entity details and submit the form.

D. A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

E. Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person's email ID. (You have now registered on InstaVote)

Step 2 – Investor Mapping

A. Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

B. Click on "Investor Mapping" tab under the Menu section

C. Map the Investor with the following details:

1) 'Investor ID' – Investor ID for NSDL demat account is 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678; Investor ID for CDSL demat account is 16 Digit Beneficiary ID.

2) 'Investor's Name - Enter Investor's Name as updated with DP.

3) 'Investor PAN' - Enter your 10-digit PAN.

4) 'Power of Attorney' - Attach Board resolution or Power of Attorney.

NOTE: File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID.

Further, Custodians and Mutual Funds shall also upload specimen signatures.

D. Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the "Report section".

Step 3 – Steps to cast vote for Resolutions through Instavote

The corporate shareholder can vote by two methods, during the remote e-voting period.

Method 1 - Votes Entry

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) Click on "Votes Entry" tab under the Menu section.

c) Enter the "Event No." for which you want to cast vote.

Event No. can be viewed on the home page of InstaVote under "On-going Events".

d) Enter "16-digit Demat Account No.".

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour / Against, click on 'Submit'.

f) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Method 2 - Votes Upload

a) Visit URL: https://instavote.linkintime.co.in and login with InstaVote Login credentials.

b) After successful login, you will see "Notification for e-voting".

c) Select "View" icon for "Company's Name / Event number".

d) E-voting page will appear.

e) Download sample vote file from "Download Sample Vote File" tab.

Notice (Contd.)

f) Cast your vote by selecting your desired option 'Favour / Against' in the sample vote file and upload the same under "Upload Vote File" option.

g) Click on 'Submit'. 'Data uploaded successfully' message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

HELPDESK

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at enotices@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000.

Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending request at evoting@nsdl.co.in or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

FORGOT PASSWORD

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:

Individual Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in.

- Click on "Login" under 'SHARE HOLDER' tab.
- Further Click on "forgot password?"
- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT".

InstaVote USER ID	NSDL	User ID is 8 Character DP ID followed by 8 Digit Client ID (e.g. IN123456) and 8 digit Client ID (e.g.12345678).
	CDSL	User ID is 16 Digit Beneficiary ID.
	Shares held in physical form	User ID is Event No + Folio no. registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on: https://instavote.linkintime.co.in.

- Click on 'Login' under "Custodian / Corporate Body/ Mutual Fund" tab
- Further Click on "forgot password?"
- Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA).
- Click on "SUBMIT

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/ DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

GENERAL INSTRUCTIONS - SHAREHOLDERS

❖ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

❖ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Notice (Contd.)

INSTRUCTIONS FOR MEMBERS FOR PARTICIPATING IN THE AGM THROUGH VC/ OAVM ARE AS UNDER:

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

Login method for shareholders to attend the General Meeting through InstaMeet:

a) Visit URL: https://instameet.in.mpms.mufg.com & click on **"Login"**.

b) Select the "Company Name" and register with your following details:

c) Select Check Box - **Demat Account No. / Folio No. / PAN**

- Shareholders holding shares in NSDL/ CDSL demat account shall select check box - Demat Account No. and enter the 16-digit demat account number.
- Shareholders holding shares in physical form shall select check box – Folio No. and enter the Folio Number registered with the Company.
- Shareholders shall select check box – PAN and enter 10-digit Permanent Account Number (PAN). Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided by MUFG Intime, if applicable.
- Mobile No: Mobile No. as updated with DP is displayed automatically. Shareholders who have not updated their Mobile No with the DP shall enter the mobile no.
- Email ID: Email Id as updated with DP is displayed automatically. Shareholders who have not updated their Email Id with the DP shall enter the Email Id.

d) Click "Go to Meeting"

You are now registered for InstaMeet, and your attendance is marked for the meeting.

Instructions for shareholders to Speak during the General Meeting through InstaMeet:

a) Shareholders who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID /folio number, PAN, mobile number at shares@pitti.in from 12th September 2026 (9:00 a.m. (IST)) to 15th September 2026 (3:00 p.m. (IST)). Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM

b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.

c) Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

d) Shareholders are encouraged to submit their questions in advance with regard to the financial statements or any other matter placed at the 42nd AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address at shares@pitti.in before 3:00 p.m. (IST on 16th September 2026. Such questions by the Shareholders shall be suitably replied by the Company.

**Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.*

Instructions for Shareholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:

a) On the Shareholders VC page, click on link "Cast your vote".

b) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet.

c) Click on 'Submit'.

d) After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

e) Cast your vote by selecting appropriate option i.e. "Favour/ Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.

f) After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note:

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Notice (Contd.)

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

Declaration of Voting Results

The Scrutiniser shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting on the date of the AGM and make, not later than 2 working days of the conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, forthwith to the Chairman of the Company or any person authorised by him in writing and the Results shall be declared by the Chairman or any person authorised by him thereafter. 2. The result declared along with the Scrutiniser's Report shall be placed on the Company's website www.pitti.in and on the website of voting agency i.e. MUFG at https://instavote.linkintime.co.in immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

Helpdesk:

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 – 4918 6000 / 4918 6175.

Notice (Contd.)

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors of the Company at the meeting held on 14th May 2026, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. S S Zanwar & Associates, Cost Accountants to conduct an audit of cost records maintained by the Company for the financial year ending 31st March 2027. In terms of Section 148 of the Act 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 of the Company or their relatives, are concerned or interested, financially or otherwise, in the resolution set out in Item No.4 of the notice.

The Board recommends the ordinary resolution set out at Item No.4 of the notice for approval by the Members.

Item No. 5

Pursuant to Section 94(1) of the Act, the registers required to be maintained under Section 88 of the Act, including the Register of Members, Index of Members and other related records, as well as copies of the annual returns filed under Section 92 of the Act, are ordinarily required to be kept at the registered office of the Company. However, such registers and records may be maintained at any other place in India where more than one-tenth of the total members whose names are entered in the Register of Members reside, with the approval of the members by way of a special resolution.

The Members of the Company, at the Annual General Meeting held on 16th June 2006, approved the maintenance of the Register of Members, Index of Members, and other related records at the office of the then Registrar and Share Transfer Agent, XL Softech Systems Limited, in compliance with the applicable provisions of the law prevailing at that time.

In order to enhance shareholder services through advanced technology platform and infrastructure, the Company has appointed MUFG Intime India Private Limited ("MUFG"), having its office at C-101, Embassy 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083, as RTA with effect from 30th December 2025, in place of the erstwhile RTA. The change in RTA was duly communicated to the members through public notices published in newspapers and was also intimated to the stock exchanges and hosted on the Company's website.

Since MUFG is responsible for providing shareholder and depository-related services and maintaining records relating to shares held in both dematerialised and physical form, it is considered expedient and administratively efficient to keep the registers, returns and records referred to under Sections 88 and 92 of the Act at the office of MUFG or any other office of the RTA within the city of Mumbai. Accordingly, the approval of the members is sought by way of a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

By order of the Board
For Pitti Engineering Limited

Mary Monica Braganza
Company Secretary &
Chief Compliance Officer
FCS: 5532

Place: Hyderabad
Date: 10th August 2026

Annexure – 1

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Name	**Shri Akshay S Pitti**
DIN	00078760
Age	40 years
Date of first appointment on the Board	14th October 2004
Expertise in specific functional area	Industrial Management
Profile	Shri Akshay S Pitti has held various whole-time director positions in the Company since October 2004 and currently serves as the Managing Director & Chief Executive Officer. He has gained extensive experience across various functions of the business and possesses deep operational and strategic expertise. He has played a pivotal role in transforming the Company into a value added engineering business through technology adoption, capacity expansion, and operational excellence. He has strengthened the Company's integrated manufacturing capabilities, expanded its portfolio of high-value products, led strategic acquisitions, and established world-class manufacturing facilities, thereby enhancing the Company's competitiveness in both domestic and global markets.
Directorship held in other Companies as on date of AGM Notice	Pitti Electrical Equipment Private Limited (Unlisted) Pitti Holdings Private Limited (Unlisted) Pitti Components Limited (Unlisted) Pitti Trade and Investment Private Limited (Unlisted) Pitti Industries Private Limited (Unlisted) Dakshin Foundry Private Limited (Unlisted) Electrical Lamination Manufacturers Association (Unlisted)
Membership / Chairmanship of Committees of other Boards	NIL
Number of Board Meetings attended during the Financial Year 2025-26	4
Shareholding in the Company as on date of AGM Notice	34,71,687 equity shares
Relationship with other Directors / Key Managerial Personnel	Son of Shri Sharad B Pitti. Not related to any other Director or Key Managerial Personnel
Listed Entities from which resigned in the past three years	Nil

Notes

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