

Pitti Engineering Limited

(Formerly Pitti Laminations Limited)

ISO 9001:2015 ISO 14001:2015

www.pitti.in



June 25, 2020

To,
BSE Ltd
Floor 25, P J Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 513519

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
Scrip Code: PITTIENG

Dear Sirs,

Sub: Outcome of Board Meeting

We wish to inform you that Board of Directors of the Company at its meeting held today i.e. June 25, 2020 has inter alia, approved the audited financial results of the company for quarter and year ended March 31, 2020.

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, we enclose the statement of the audited financial results of the Company for the quarter and year ended March 31, 2020 along with the audit report provided by the statutory auditors M/s Laxminiwas & Co, Chartered Accountants. Further pursuant to SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, we declare that the statutory auditors of the Company M/s Laxminiwas & Co, Chartered Accountants have issued an unmodified opinion on the audited accounts for the quarter and year ended March 31, 2020.

The disclosure statement pursuant to SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR /P/ 2020/84 dated May 20, 2020 regarding "Impact of the COVID-19 pandemic on the business" is also attached herewith.

The Board reviewed its expansion plans in light of global pandemic COVID-19 on the operations of industries in general and the Company in particular and has decided to continue with its capex plan of enhancement of the installed capacity from the existing 36,000 MT to 46,000 MT for sheet metal components and from 2,47,600 hours to 4,05,600 hours for machining for its plants at Aurangabad and Hyderabad at an estimated cost of ₹190 crores as approved in the Board Meeting held on February 10, 2020.

Considering the new opportunities for expansion in fabrication and shaft making the Company in its Board Meeting of today viz, June 25, 2020 decided to enhance the capex plan to ₹ 270 crores from 190 crores which will be funded by internal accruals/issue of securities/unsecured loans and long-term borrowings from banks/financial institutions/ECB. The expansion of the existing facilities/ green field project will be made in a phased manner and will be completed in a span of 36 months and will be undertaken by the Company directly or through a wholly owned subsidiary.

The Company is currently operating at around 65% capacity. The enhancement in capacity will help the Company to increase its capacity, capabilities and market reach and also bring manufacturing of bought out components in house which will help in optimisation of the supply chain and increase the operating margins of the Company.

The meeting of Board of Directors of the Company commenced at 4:00 P.M and concluded at 6:15 P.M.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Pitti Engineering Limited

Mary Monica Braganza
Company Secretary & Compliance Officer
FCS 5532



CIN: L29253TG1983PLC004141

Registered Office

6-3-648/401, 4th Floor
Padmaja Landmark, Somajiguda
Hyderabad - 500 082
Telangana, India
T: +91 40 2331 2774 / 2331 2770
F: +91 40 2339 3985
info@pitti.in

Disclosure pursuant to SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR /P/ 2020/84 dated May 20, 2020.

We are aware that whole world is struggling to save the lives and livelihood of people. COVID- 19 has infected many people in the world and impacted humanity, lifestyles, businesses, economies and livelihoods. In India timely lock-down measures and proactive steps taken by the Government authorities have helped in containing its spread, but affected the demand, supply and liquidity and have brought the economic activities to a standstill and impacted both consumption and investment.

Impact of the COVID-19 pandemic on the business

Due to pandemic COVID-19 and lock-down measures taken by the Central and respective State Government(s) and its consequential affects, the impact on the business is obvious. The revenue and thus the profitability of the Company has been impacted during the lockdown period. Considering the line of business of the Company being into manufacturing engineering products used in capital good, infrastructure, transportation, and similar industries, it is expected that normalcy would be restored once the strict measures are relaxed everywhere.

Ability to maintain operations including the factories / units/ office spaces functioning and closed down

The manufacturing units of the Company had been closed, as per the lock-down measures announced by the Government of India as well as by the respective State Government(s) where the manufacturing units and offices of the Company are located.

The Company had adopted the work from home policy for the office employees during the lockdown period. The offices later resumed services with staggered presence in May, 2020 and the factories have started its operations in April/May 2020 as per prescribed guidelines issued by the Government Authorities.

Schedule, if any, for restarting the operations

The manufacturing units of the Company is situated in the State of Telangana and Maharashtra. The units have started its operations in the month of April/May 2020 based on the guidelines issued by the Ministry of Home Affairs, Government of India and the respective State Government(s).

Steps taken to ensure smooth functioning of operations

As stated earlier, during the lockdown period, Company has adopted work from home policy and now the offices have resumed services with staggered/full presence of employees, as per the prescribed guidelines. Also, the factories have started its operations in April/May 2020, as per prescribed guidelines.

The Company's offices and its manufacturing units are complying with the prescribed norms to ensure smooth functioning of operations, viz. temperature screening, wearing of face mask, hand washing, sanitization & hygiene, social distancing norms and other measures.



Estimation of the future impact of COVID-19 on its operations

The impact on the sales of the Company's products was primarily due to lock-down measures prescribed by various Government authorities. Considering the line of business of the Company, the long-term customer agreements and customized products for the customers, it is anticipated that normalcy would be restored once the strict measures are relaxed everywhere. Already, we are seeing a good demand in the market post unlocking measures announced in May and June 2020.

However, we understand that the situation is exceptional and changing dynamically, therefore, the Company is not able to anticipate with certainty the future impact on its operations.

Details of impact of COVID- 19 on Company

Capital and financial resources: There is no impact on the Capital and financial resources of the Company.

Profitability: The revenue and thus the profitability of the Company has been impacted during the lockdown period. There were major disruptions effecting dispatches from third week of March. It is difficult to quantify the actual impact due to number of variables.

Liquidity position: The Company has sound financial position and positive working capital. Although, there was some impact on the liquidity position, it is expected to have normalcy in due course, as the unlock measures have already been announced.

Ability to service debt and other financing arrangements: The Company has sound financial position and can meet its financial obligations. The Company is regular in repayments of debts including interest thereon except for the moratorium sought under RBI ease of working capital finance circular due to impact of Covid-19.

Assets: The Company does not foresee any deterioration in its assets. The assets of the Company are adequately safe-guarded and adequately maintained.

Internal financial reporting and control: The Company has robust internal financial reporting and control system commensurate with its nature of business and size of operations. Therefore, there was no material impact on the internal financial reporting system and control. The IT department was functioning during lock down period seamlessly.

Supply chain: Due to lock-down measures the supply chain has been affected and the labour has gone to their home state. There was also restriction on movement of transport vehicles. However, with the commencement of unlock measures, we expect that the normalcy would return sooner and there will not be significant impact on supply chain.

Demand for its products/services: The sale was affected during the lock-down period, as there was no demand. However, we are seeing a good demand in the market post unlocking of the market in May and June 2020.

Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business: The Company does not foresee any existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business.

Other relevant material updates about the Company's business: Not applicable.



[Handwritten signature]