

**Pitti Engineering Limited**

(Formerly Pitti Laminations Limited)

ISO 9001:2015 ISO 14001:2015

[www.pitti.in](http://www.pitti.in)



15<sup>th</sup> June 2023

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

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

Scrip Code: 513519

Scrip Code: PITTIENG

Dear Sirs,

Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015  
Investor Presentation – Scheme of Amalgamation

In terms of regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 please find attached the Investor Presentation on Scheme of Amalgamation.

Request you to 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

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# Pitti Engineering Limited

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**INVESTOR PRESENTATION  
ON THE PROPOSED SCHEME OF AMALGAMATION**

# Disclaimer



The contents of this document are for your information only and are intended to provide an overview of the material aspects of the proposed transaction. This document does not purport to provide all and complete details, as may be required to make a full analysis of the proposed transaction. This document does not solicit any action based on the material contained herein and is without regard to any specific objectives, suitability, financial situations and needs of any particular person. This document has not been approved and will not or may not be reviewed by any statutory or regulatory authority or opined on by any legal counsels.

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# Pitti Engineering Limited – Business Philosophy



As part of our larger vision, we continue to focus on remodelling our strategic framework that focuses on building a differentiated product by understanding the needs of the customers and adding value to our product thus creating a new market for the same. The tenets of our long-term value creation approach are;

## Customer focus

We focus on deepening our understanding of customer business to provide unique product fostering long-term business relation.

## Adopt latest technologies

We remain agile by adopting new technologies at our manufacturing plants. This has led us to deliver high precision products.

## Unique offering

We work towards contracting customers' supply chain and consolidating product ownership, thus adding value to their operations and enabling the customers to focus on their core strengths.

## Prudent capital allocation

We drive growth with a well-defined investment strategy backed by judicious capital allocation across our corporate journey.

## Deliver sustainable growth

The differentiated product offering, long term customer relations, wide variety of engineering products offered, and multiple end user segments creates a well sustainable growth model for the Company.

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# Pitti Engineering Limited – Company Profile



## Key Product Lines

### Sheet Metal

#### Specifications

- Sheet metal laminations punching from 0.35 mm to 3mm thickness.
- Laser cut of steel stampings with thickness ranging from 0.35 mm to 25 mm
- Special Process: Re- varnishing or re- coating of insulation layer 0.005 mm to meet special requirements of hydro and thermal generators

### Precision Machining

#### Specifications

- Equipped with fabrication facility for manufacturing of gear cases and motor frames among others
- Machining of stator cores & rotor cores with outer diameter ranging from 400 mm to 200 mm along with customization as per the customer requirement
- Stator cores assembled with steel casting stator frames by shrink fit process, and subsequently machined to final product accuracies
- Casting material ranging from grey iron / ductile iron / ductile iron with sub-zero impact resistance / low carbon alloy steel / MnNi alloy steel grades (with impact resistance of -50° C)

### Assemblies

#### Specifications

- Large stator core assemblies up to 1,600-meter size
- Large rotor cores up to 1,500 kgs weight with permanent magnet features
- Large die cast rotors up to diameter 550 mm and core length of 980 mm and with aluminum weight up to 120 kgs
- 5 Axis CNC machines up to 1,600 mm X 1,600 mm travel for complex machining parts

## Sales and Distribution Network - INDIA

**39**

Years of Industry experience

**11**

Regions Served

**50,200 MT**

India's largest laminations manufacturer

**4,06,800**

Machine Hours

**3**

Manufacturing Facilities

**Assemblies and components provider**

In the rotating electrical equipment segment

**Largest**

Manufacturer and Exporter of electrical laminations from India

**Leading Supplier**

to all motor manufacturers in India

# Pitti Castings Private Limited – Company Profile



## Company Background

- Pitti Castings Private Limited was incorporated in 2011.
- The Company is engaged in the manufacturing of high-quality casting in grey iron, ductile iron, low carbon and alloy steel grades
- The Company caters to Pitti Engineering Limited and other renowned OEM's in Windmill / Off-highway / Mining / Construction / Compressor / Locomotive / Pump and Irrigation Industries

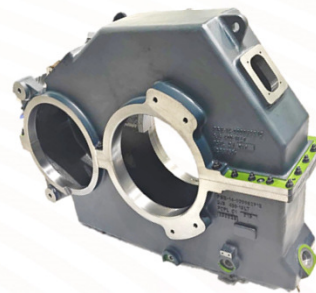
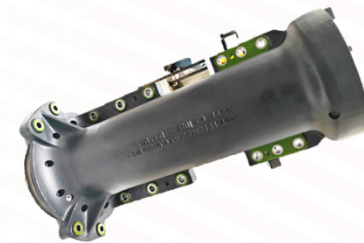
## Capabilities of PCPL



- Specialised in manufacturing of **Spheroidal Graphite ( SG ) Iron graded parts with sub-zero Impact resistance** used in Windmill / Locomotives. ( Gear Box Pedestals / Suspension Tubes / Gear Case Assembly / Traction Motor and etc.,)
- Specialised in manufacturing **High Tensile SG Graded Parts** used in Mining Trucks ( Wheel Hubs / A Support frame and etc )
- Specialised in manufacturing **High MnNi Alloy carbon steel castings** with sub-zero impact resistance used in Locomotives / Mining. ( Inserts / Transom and etc )
- **CLASS-A Foundry Certified by RDSO** ( Research Designs and Standards Organisation, Ministry of Railways in India.
- **AERB Accredited** Radiography Testing



## Some Products Manufactured





# Pitti Castings Private Limited – Company Profile



PCPL has set up a World Class, Eco-Friendly, and State-of-the-art Foundry, with a team of qualified technical professionals, manufactures High Quality Castings in Ductile Iron, Grey Iron and Low Carbon, High Manganese / High Nickel Alloy Steel from the weight range of 50 Kgs to 3000 Kgs.



## UNIQUENESS OF THE FOUNDRY

- State of the art **Product Technology Centre** equipped with **Autocad/Solid-works** product modelling and **Magma Solidification Simulation** software.
- World class **testing lab** equipped with latest version of **machines** for **chemical / mechanical / thermal analysis ( atas )**
- In-house non-destructive-testing facility for **ultrasonic testing / radiographic testing / magnetic particle testing / dye-penetrant testing**
- High-precision / **critical geometry parts** are only possible to produce using **no-bake & shell moulding process**. Pitti castings is equipped with this versatile manufacturing technique.
- **Modern heat treatment facility** equipped with **water & oil quenching facility** to facilitate manufacturing of **high-critical alloy graded castings**
- **Total head count– 732** ( as on 31<sup>st</sup> mar 2023 including skilled and others)



### Marquee clientele

The Company is providing engineering solutions to some of the renowned Indian and global companies with long-standing relationship.

 बी ई एम एल bhel NEW FRONTIERS, NEW DREAMS	 ALBERT COACH FACTORY INDIAN RAILWAYS CHITTARANJAN LOCOMOTIVE WORKS	 भारतीय रेलवे INDIAN RAILWAYS CLW Chittaranjan Locomotive Works	 Wabtec CORPORATION
 CATERPILLAR®	 ALSTOM	 Mather+Platt	 SIEMENS Gamesa RENEWABLE ENERGY
 Allison Transmission	 SAINI Engineering Possibilities	 SCHWING Stetter	 Atlas Copco
 FLOWSERVE	 VOITH	 MEDHA™	 GE Renewable Energy

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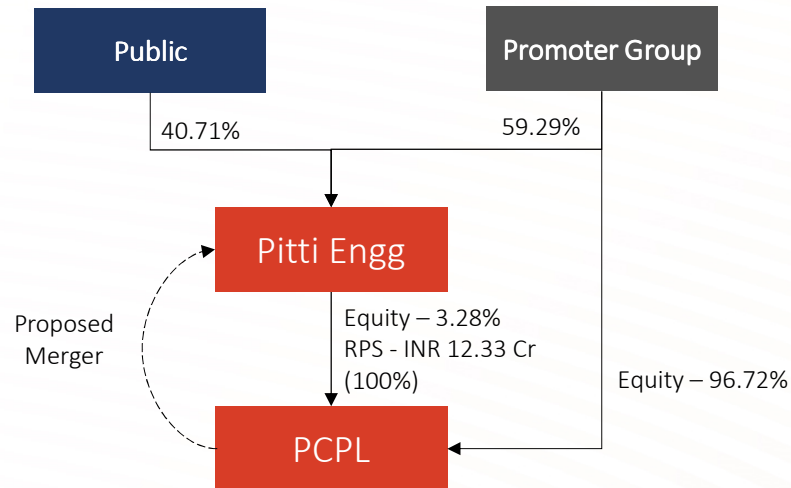
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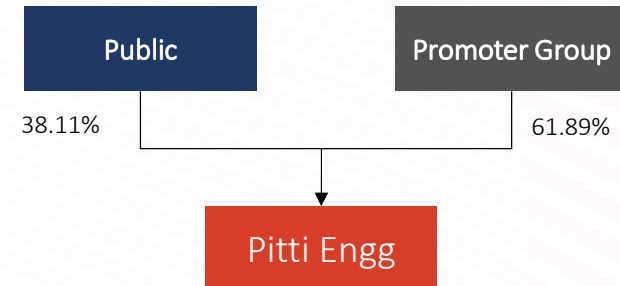
# Transaction Overview



## Proposed Transaction



## Resultant Structure

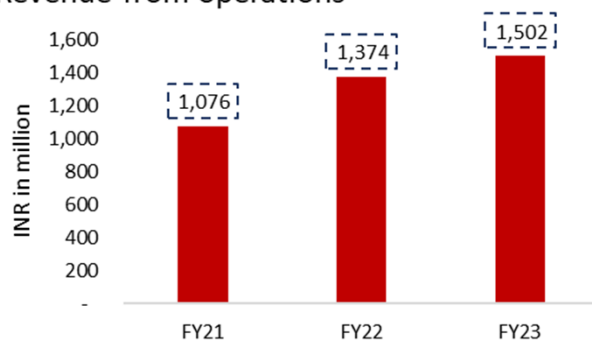


### Key Notes:

1. Redeemable Preference Shares and Equity Shares of PCPL held by Pitti Engineering Limited shall stand cancelled.
2. It is also proposed to merge Pitti Rail and Engineering Components Limited, a wholly owned subsidiary of Pitti Engineering Limited, as part of the proposed merger

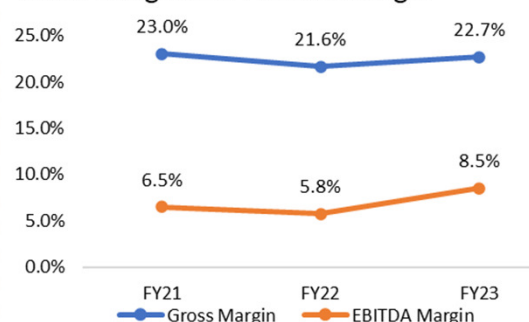
# Key Highlights - PCPL

Revenue from operations



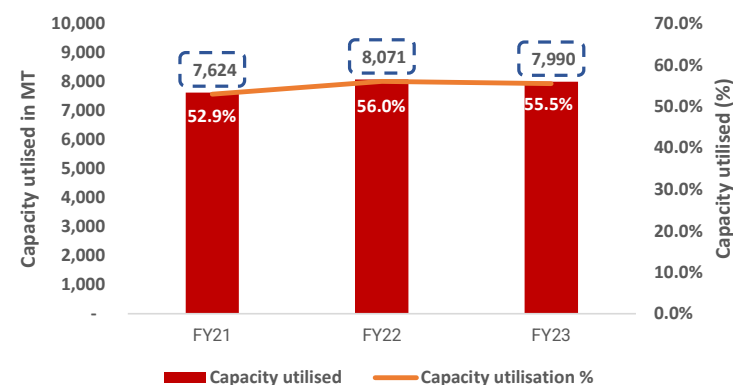
- Revenue from operations increased from INR 1,076 million in FY21 to INR 1,374 million in FY22 (increase by 28%) and further increased to INR 1,502 million in FY23 (increase by 9.32%)

Gross margin and EBITDA margin



- Gross margin remained range bound between 22% to 23%.
- EBITDA margins improved from 5.8% in FY22 to 8.5% in FY23.

Capacity Utilisation



- Capacity utilization too has remained in a range of 53% to 56%.

# Transaction Rationale

## Vertical Integration of Business



- Broaden its footprint across the supply chain
- Enhanced control over the supply and inventory management of its raw materials

## Improved Customer Access



- Diversification of business with access to a new set of customers (domestic and international) and industries
- Access to new long-term contracts by bolstering an integrated process

## Synergies to the transaction



- Various potential synergies arising from the transaction include
- Optimization of resource utilization and operational and general admin cost
  - Optimization of procurement costs and reduced working capital lock-up

## EPS Accretion



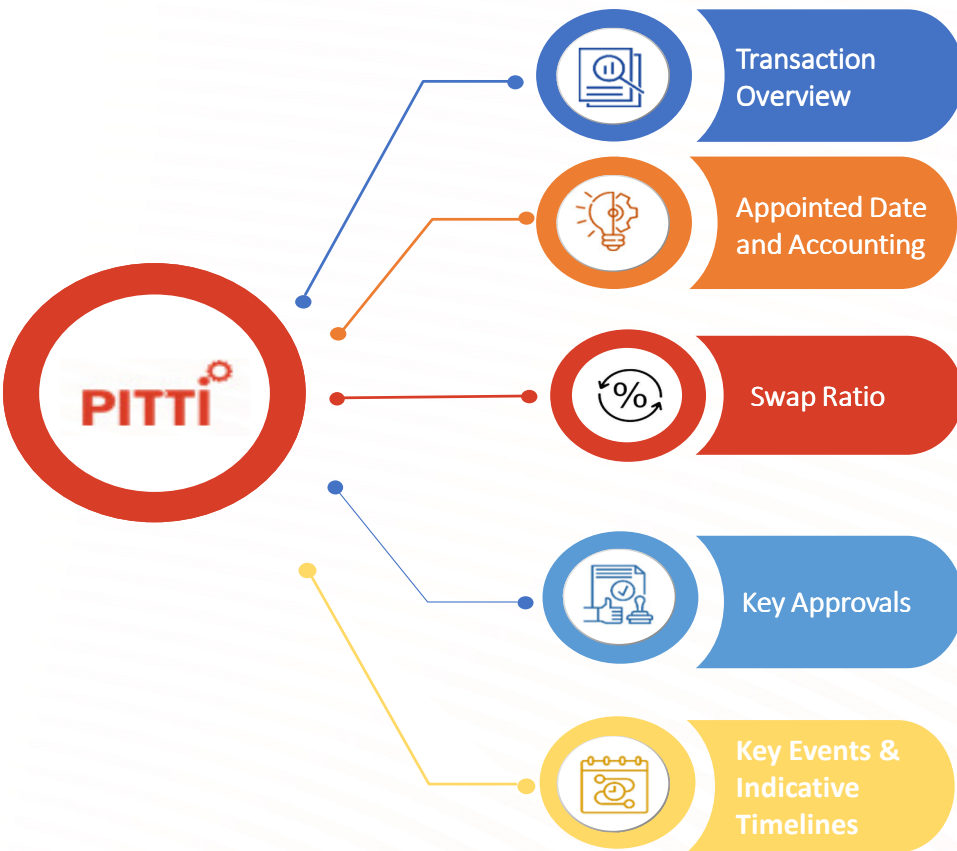
The transaction is expected to be EPS accretive for the shareholders

## Benefits accruing to Shareholders



Long term improvement in margins and profitability of the Company

# Transaction Summary



- ▶ Merger of PCPL and PRECL with Pitti Engineering Limited
- ▶ Shareholders of PCPL to receive shares of Pitti Engineering Limited
- ▶ Appointed Date for the Scheme – 01<sup>st</sup> April 2023
- ▶ Accounting for the merger to be done based on the applicable accounting standards under IND AS
- ▶ Pitti Engineering Limited will issue and allot 21,88,772 equity shares to the shareholders of PCPL (i.e., 01 equity share of Pitti Engineering Limited for every 55 equity shares held by the shareholders in PCPL)
- ▶ The swap ratio is based on a joint report provided by two independent valuers and a fairness opinion obtained from an independent Merchant Banker
- ▶ These shares will be listed on BSE Ltd and National Stock Exchange of India Limited
- ▶ Stock Exchanges (NSE and BSE) and Securities and Exchange Board of India (SEBI)
- ▶ Shareholders' approvals (majority of minority)
- ▶ National Company Law Tribunal (NCLT)
- ▶ Lenders and Creditors approval
- ▶ Other regulatory approvals, as may be required
- ▶ Announcement of Scheme: June 2023
- ▶ Stock exchange and SEBI approval: Q2 FY24
- ▶ NCLT convened meeting of shareholders: Q3 FY24
- ▶ NCLT approval: Q1 FY25

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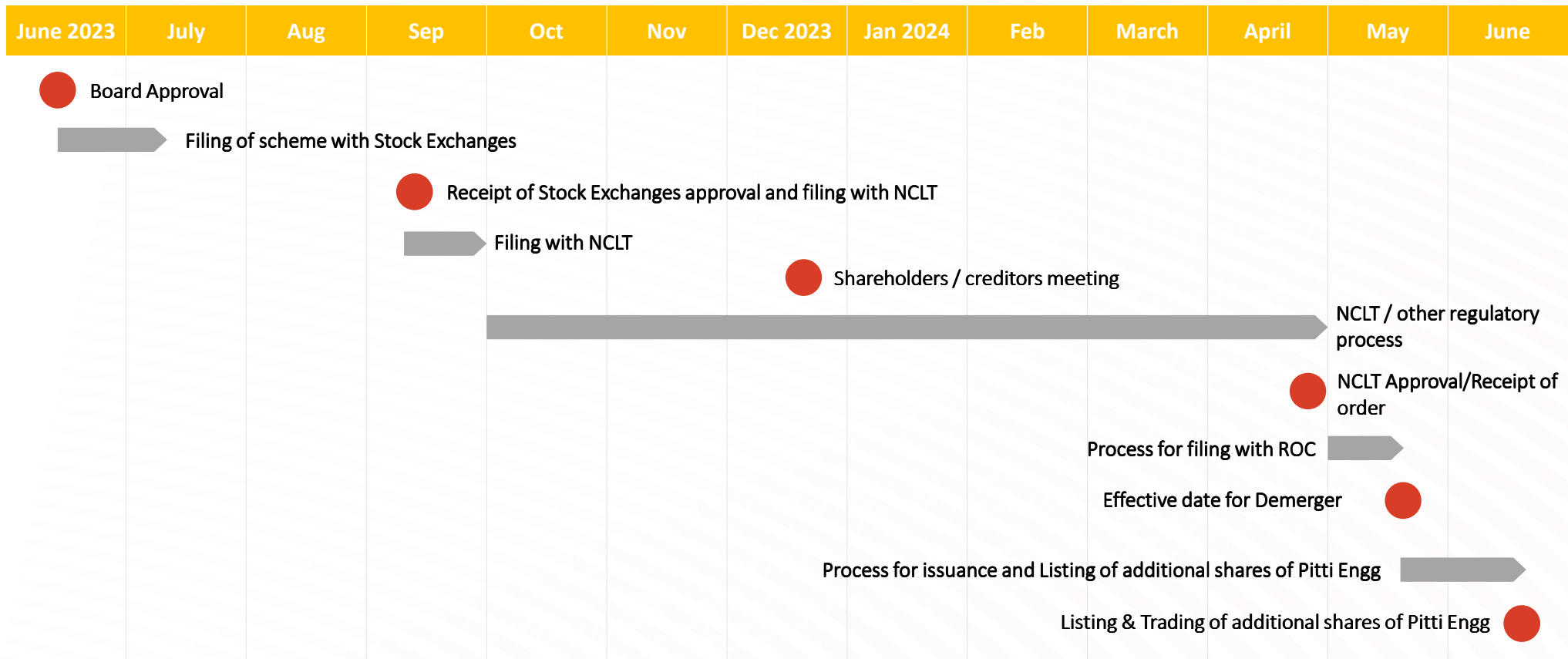
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# Steps & Indicative Timelines



*Implementation of the scheme is expected to take around ~ 12 - 14 months subject to receipt of the requisite approvals*



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# Advisors



Transaction and Diligence Advisors



Independent Valuers



Fairness Opinion Provider



Legal Advisor



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# Abbreviations



Abbreviation	Full Form	Abbreviation	Full Form
Pitti Engg	Pitti Engineering Limited	KW	Kilo Watt
PCPL	Pitti Castings Private Limited	FY	Financial Year
PRECL	Pitti Rail and Engineering Components Limited	EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
mm	Milli metre	NCLT	National Company Law Tribunal
MT	Metric Ton		
Cr	Crore		
CNC	Computer Numerical Control		
NDT	Non-Destructive Testing		
LPG	Liquid Petroleum Gas		
GGG	German Standard for Ductile Iron		
EN	Emergency Number ( European Standard )		
JS	Sub-classification on EN		
KG	Kilo-gram		

# Thank You

