

**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 Sir,

Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with SEBI Circular bearing reference number CIR/CFD/CMD/4/2015 dated September 9, 2015, as amended from time to time, we hereby submit the outcome of the meeting of the Board of Directors ("**Board**") of Pitti Engineering Limited held on 15<sup>th</sup> June, 2023.

The Board, based on the recommendations of the Audit Committee and the Committee of Independent Directors, has considered and approved a Scheme of Amalgamation among Pitti Castings Private Limited ("**PCPL**" or the "**Amalgamating Company 1**"), Pitti Rail and Engineering Components Limited ("**PRECL**" or the "**Amalgamating Company 2**") and Pitti Engineering Limited ("**PEL**" or the "**Company**" or the "**Amalgamated Company**") and their respective shareholders and creditors (the "**Scheme**") under Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions and the rules framed thereunder (including any statutory modification or re-enactment thereof). (Amalgamated Company and Amalgamating Companies collectively referred to as "**Companies**").

The Scheme, *inter-alia*, provides for amalgamation of Pitti Castings Private Limited, Pitti Rail and Engineering Components Limited, the Amalgamating Company 1 and Amalgamating Company 2 respectively with Pitti Engineering Limited, the Amalgamated Company ("**Merger**"). The Scheme is subject to the fulfilment of certain conditions including receipt of approval of

CIN: L29253TG1983PLC004141

**Registered Office**

6-3-648/401, 4<sup>th</sup> Floor  
Padmaja Landmark, Somajiguda  
Hyderabad - 500 082  
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shareholders (majority of public shareholders) and creditors of the Company, approval of other regulatory authorities as may be required, including those of the National Stock Exchange of India Limited, BSE Limited, Securities and Exchange Board of India (“SEBI”) and the Hon’ble jurisdictional National Company Law Tribunal (“NCLT”) and any other authority as may be applicable. Further, the Company has entered into an Implementation Agreement with PCPL, Pitti Electrical Equipment Private Limited (PEEPL) and Promoters *inter alia* outlining transaction support, relevant representations, warranties and indemnities etc. pertaining to the Amalgamating Company 1.

Please find enclosed **Annexure 1** containing details as per Regulation 30 of the Listing Regulations read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015.

The Scheme as approved by the Board of Directors will be available on the website of the Company at [https://pitti.in/investor\\_desk/investors\\_soa.php](https://pitti.in/investor_desk/investors_soa.php) post submitting the same to the stock exchanges.

We request you to take the same on record.

Thanking You  
For Pitti Engineering Limited

Mary Monica Braganza  
Company Secretary and Compliance Officer

Encl:- As stated above

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**Annexure - 1****Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015**

| Sr. No.  | Particulars  | Details   |             |                  |      |       |  |          |        |      |                       |        |       |       |
|--|--|---|-------------|------------------|------|-------|--|----------|--------|------|-----------------------|--------|-------|-------|
| a)   | Name of the entity (ies) forming part of the amalgamation/merger., details in brief such as size, turnover etc.          | <p>Amalgamated Company - Pitti Engineering Limited ("PEL" or the "Company") (listed on BSE Limited and National Stock Exchange of India Limited)</p> <p>Amalgamating Company 1 - Pitti Castings Private Limited ("PCPL") (unlisted)</p> <p>Amalgamating Company 2 - Pitti Rail and Engineering Components Limited ("PRECL") (unlisted)</p> <p>The brief financials for the period ending 31<sup>st</sup> March 2023, is as under:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>PEL (Standalone)</th> <th>PCPL</th> <th>PRECL</th> </tr> </thead> <tbody> <tr> <td>Turnover - Revenue from Operations (in INR Cr)</td> <td>1,100.17</td> <td>150.32</td> <td>0.00</td> </tr> <tr> <td>Net Worth (in INR Cr)</td> <td>334.09</td> <td>73.54</td> <td>-0.00</td> </tr> </tbody> </table> | Particulars | PEL (Standalone) | PCPL | PRECL | Turnover - Revenue from Operations (in INR Cr) | 1,100.17 | 150.32 | 0.00 | Net Worth (in INR Cr) | 334.09 | 73.54 | -0.00 |
| Particulars                                    | PEL (Standalone)   | PCPL  | PRECL       |                  |      |       |  |          |        |      |                       |        |       |       |
| Turnover - Revenue from Operations (in INR Cr) | 1,100.17   | 150.32  | 0.00        |                  |      |       |  |          |        |      |                       |        |       |       |
| Net Worth (in INR Cr)                          | 334.09   | 73.54   | -0.00       |                  |      |       |  |          |        |      |                       |        |       |       |
| b)   | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length" | While the transaction shall be considered as a related party transaction under Listing Regulations, in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs, any transaction arising out of compromises, arrangements and amalgamations under the Companies Act, 2013   |             |                  |      |       |  |          |        |      |                       |        |       |       |

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|    |                                      |  |
|----|--------------------------------------|--|
|    |                                      | <p>("Act"), does not attract the requirements of seeking separate approval under section 188 of the Act.</p> <p>The consideration for the Scheme shall be discharged on an “arm’s length” basis. The equity shares to be allotted by the Amalgamated Company in consideration of the Amalgamation are based on the registered valuers report dated 15<sup>th</sup> June, 2023, issued jointly by Mr. Niranjana Kumar, Registered Valuer - Securities or Financial Assets (Registered Valuer Registration No. IBBI/RV/06/2018/10137) and SSPA &amp; Co., Chartered Accountants, Registered Valuer – Securities or Financial Assets (Registered Valuer Registration No. IBBI/RV-E/06/2020/126) describing, <i>inter alia</i>, the methodologies adopted by them in arriving at the recommended Share Exchange Ratio (<i>as defined in the Scheme</i>) and setting out the detailed computation of Share Exchange Ratio for the Scheme.</p> <p>Keynote Financial Services Limited, an Independent SEBI registered Category-I Merchant Banker (SEBI Registration No. INM000003606) has provided its opinion on the fairness of Share Exchange Ratio, as recommended in the Valuation Report.</p> |
| c) | Area of business of the entity (ies) | <p>PEL is engaged in manufacturing of engineering products of iron and steel including electrical steel laminations, stator and rotor core assemblies, sub-assemblies, pole assemblies, die-cast rotors, press tools and high precision machining of various metal components.</p> <p>PCPL is engaged in the manufacturing of high quality casting in grey iron, ductile iron, low carbon and alloy steel grades.</p> <p>PRECL is set up with the object to manufacture engineering products and components.</p>   |

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|    |                                   |  |
|----|-----------------------------------|--|
| d) | Rationale for Amalgamation/Merger | <ul style="list-style-type: none"><li>• PEL had acquired shares in PCPL originally with an objective to ensure vertical integration of businesses which would provide increased opportunities and better margins to PEL. However, due to operational and financial reasons, PEL could not complete the consolidation historically.</li></ul> <p>With a view to now achieve vertical integration and broaden its footprint across the supply chain, PEL has strategically decided to integrate the Castings Business with its operations.</p> <p>The implementation of this Scheme will result in the following benefits:</p> <ul style="list-style-type: none"><li>- Enhance PEL's control over the supply and inventory management of its raw materials Amalgamation would help with a unified approach on supply chain management and consequent synergies leading to optimization of resource utilization, reduced finance cost, operational cost, reduced duplication of administrative efforts and better procurement policies and prices, for the combined business.</li><li>- Allow PEL to gain access to long-term contracts by bolstering an entire integrated process helping them cover the end-to-end supply chain.</li><li>- Enhance PEL's margins and profitability and reduction in related party transactions of PEL which would enhance value for all its stakeholders.</li><li>- Help PEL to diversify its business and provide PEL with access to a new set of customers and industries.</li></ul> <p>In view of the aforesaid it is desirable and expedient to integrate the business of PCPL by way of amalgamation. Such</p> |
|----|-----------------------------------|--|

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|    |   |   |
|----|---|---|
|    |   | <p>an amalgamation is expected to be in the best interest of both Companies, their respective shareholders, creditors, employees and other stakeholders.</p> <ul style="list-style-type: none"> <li>• PRECL was incorporated for the purpose of undertaking a greenfield project in relation to the manufacture of railway and engineering components. Since the PEL (Holding Company) has undertaken the said business through Brown field project, there is no longer need of a separate corporate entity.</li> <li>- The amalgamation will result in simplifying the corporate structure and elimination of duplication in administrative cost and multiple record keeping thus resulting in cost savings</li> </ul> <p>In view of the aforesaid, the Board of Directors of the Amalgamating Company 1, Amalgamating Company 2 and the Amalgamated Company have considered it desirable and expedient to merge the Amalgamating Company 1 and Amalgamating Company 2 with the Amalgamated Company. Such merger is expected to be in the best interest of the Companies involved, their respective shareholders, creditors, employees and other stakeholders.</p> |
| e) | In case of cash consideration – amount or otherwise share exchange ratio; | <p>There is no cash consideration involved in the Scheme.</p> <p>In consideration of the transfer and vesting of the Amalgamating Company 1 with the Amalgamated Company, the following consideration shall be issued:</p> <p>Amalgamated Company shall issue and allot to each equity shareholder of the Amalgamating Company 1 whose name is recorded in the register of members as Member of the Amalgamating Company 1 as on the Record Date (<i>as defined in the Scheme</i>) as per the following Share Exchange Ratio:</p>   |

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|              |  | <p><i>"01 (One) equity share of PEL of INR 5/- each, fully paid-up for every 55 (Fifty-Five) equity shares of PCPL of INR 10 /- each, fully paid-up"</i><br/><i>("Share Exchange Ratio")</i></p> <p>Amalgamation of Amalgamating Company 2 with the Amalgamated Company:</p> <p>The Amalgamating Company 2 is a wholly owned subsidiary of Amalgamated Company. Hence, all the equity shares issued by Amalgamating Company 2 are held by Amalgamated Company and/ or its nominees and shall stand cancelled and extinguished and in lieu thereof, no allotment of any shares in Amalgamated Company shall be made to any person whatsoever.</p>   |                      |                |  |       |  |                      |   |                      |   |          |             |        |             |        |        |             |        |             |        |              |                    |                |                    |                |
|--------------|--|--|----------------------|----------------|--|-------|--|----------------------|---|----------------------|---|----------|-------------|--------|-------------|--------|--------|-------------|--------|-------------|--------|--------------|--------------------|----------------|--------------------|----------------|
| f)           | Brief details of change in shareholding pattern (if any) of listed entity. | <p>Based on the shareholding pattern as on 9<sup>th</sup> June 2023, the pre- and post-scheme shareholding pattern of the Amalgamated Company is as below:</p> <table border="1" data-bbox="669 1100 1463 1482"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Before</th> <th colspan="2">After</th> </tr> <tr> <th>No. of equity shares</th> <th>%</th> <th>No. of equity shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>1,90,01,227</td> <td>59.29%</td> <td>2,11,89,999</td> <td>61.89%</td> </tr> <tr> <td>Public</td> <td>1,30,48,840</td> <td>40.71%</td> <td>1,30,48,840</td> <td>38.11%</td> </tr> <tr> <td><b>Total</b></td> <td><b>3,20,50,067</b></td> <td><b>100.00%</b></td> <td><b>3,42,38,839</b></td> <td><b>100.00%</b></td> </tr> </tbody> </table> | Particulars          | Before         |  | After |  | No. of equity shares | % | No. of equity shares | % | Promoter | 1,90,01,227 | 59.29% | 2,11,89,999 | 61.89% | Public | 1,30,48,840 | 40.71% | 1,30,48,840 | 38.11% | <b>Total</b> | <b>3,20,50,067</b> | <b>100.00%</b> | <b>3,42,38,839</b> | <b>100.00%</b> |
| Particulars  | Before   |  |                      | After          |  |       |  |                      |   |                      |   |          |             |        |             |        |        |             |        |             |        |              |                    |                |                    |                |
|              | No. of equity shares   | %  | No. of equity shares | %              |  |       |  |                      |   |                      |   |          |             |        |             |        |        |             |        |             |        |              |                    |                |                    |                |
| Promoter     | 1,90,01,227  | 59.29%   | 2,11,89,999          | 61.89%         |  |       |  |                      |   |                      |   |          |             |        |             |        |        |             |        |             |        |              |                    |                |                    |                |
| Public       | 1,30,48,840  | 40.71%   | 1,30,48,840          | 38.11%         |  |       |  |                      |   |                      |   |          |             |        |             |        |        |             |        |             |        |              |                    |                |                    |                |
| <b>Total</b> | <b>3,20,50,067</b>   | <b>100.00%</b>   | <b>3,42,38,839</b>   | <b>100.00%</b> |  |       |  |                      |   |                      |   |          |             |        |             |        |        |             |        |             |        |              |                    |                |                    |                |

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