



Pitti Engineering Limited

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

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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

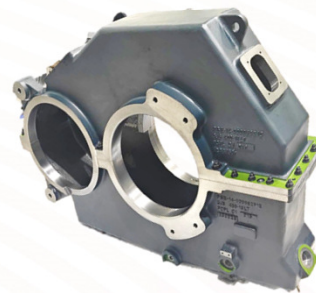
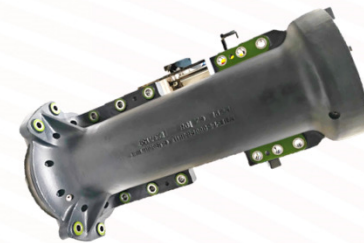
Capabilities of PCPL



- 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 31st 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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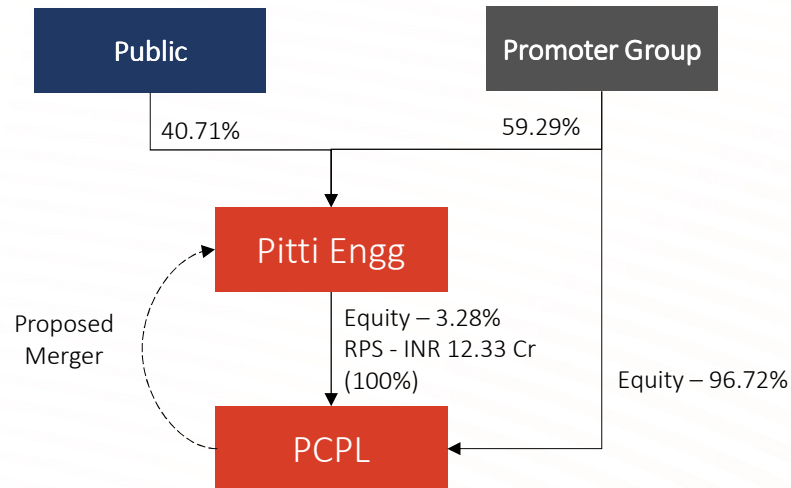
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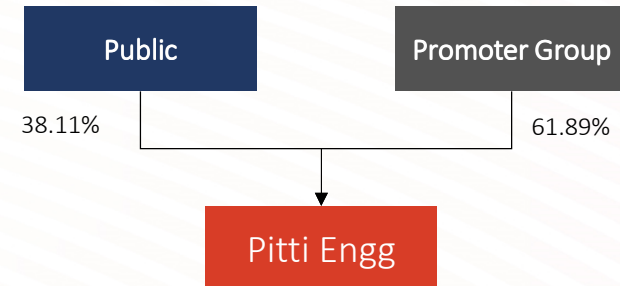
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Proposed Transaction



Resultant Structure

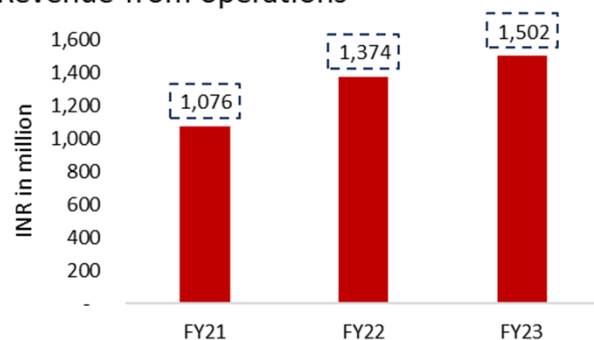


Key Notes:

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

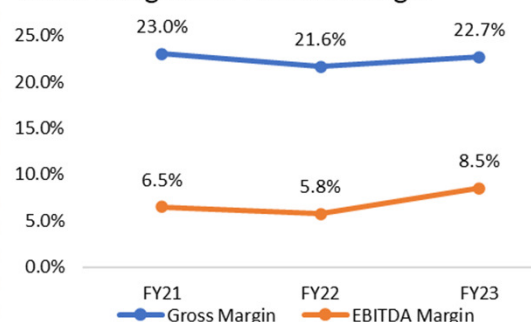
Key Highlights - PCPL

Revenue from operations



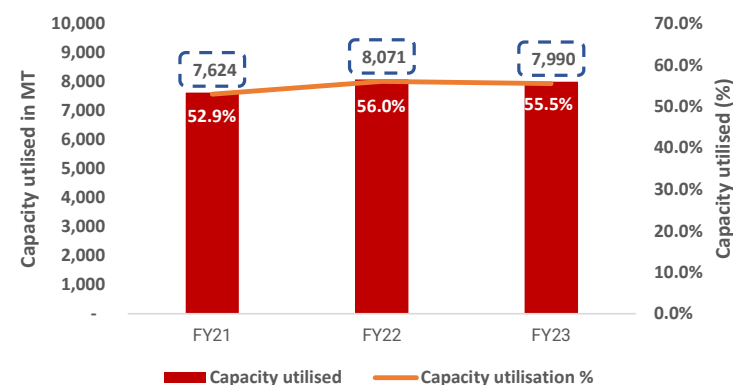
- Revenue from operations increased from INR 1,076 million in FY21 to INR 1,374 million in FY22 (increase by 28%) and further increased to INR 1,502 million in FY23 (increase by 9.32%)

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



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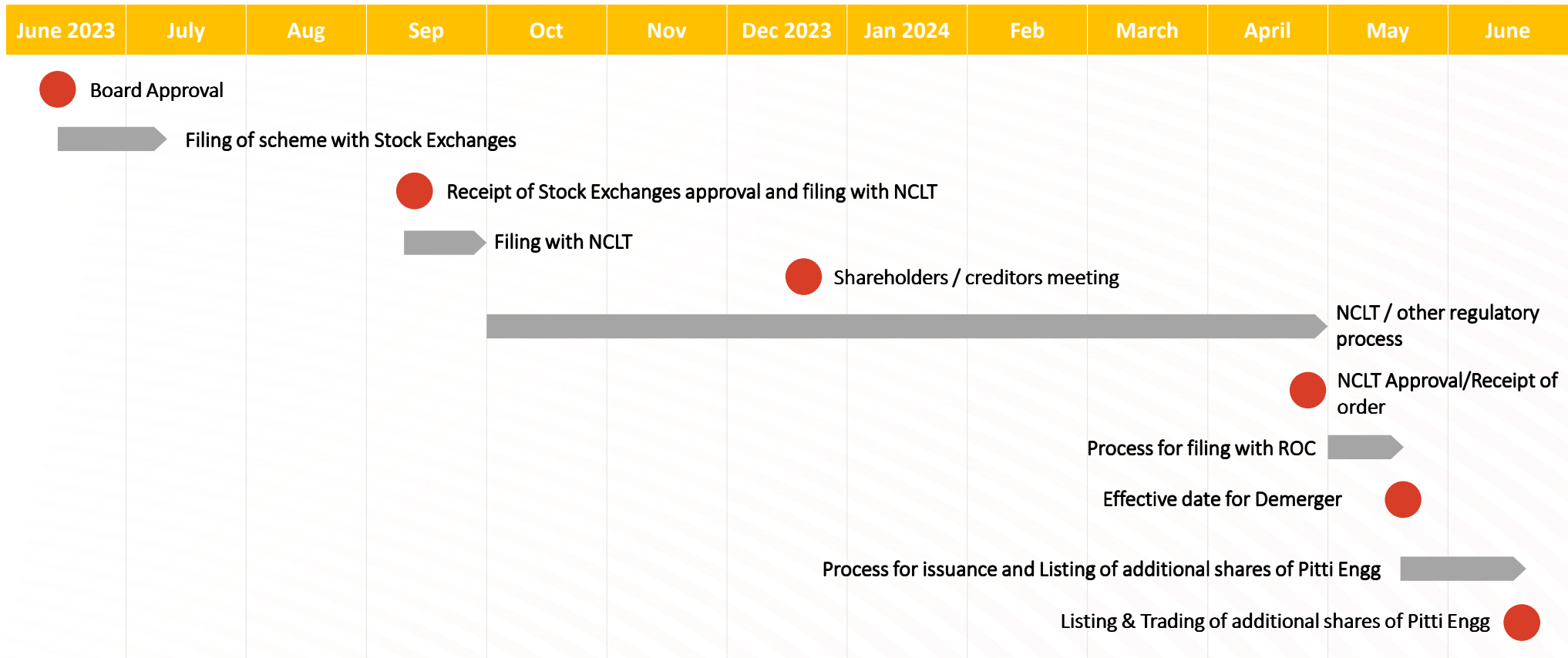
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Steps & Indicative Timelines



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

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Transaction and Diligence Advisors



Independent Valuers



Fairness Opinion Provider



Legal Advisor



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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

