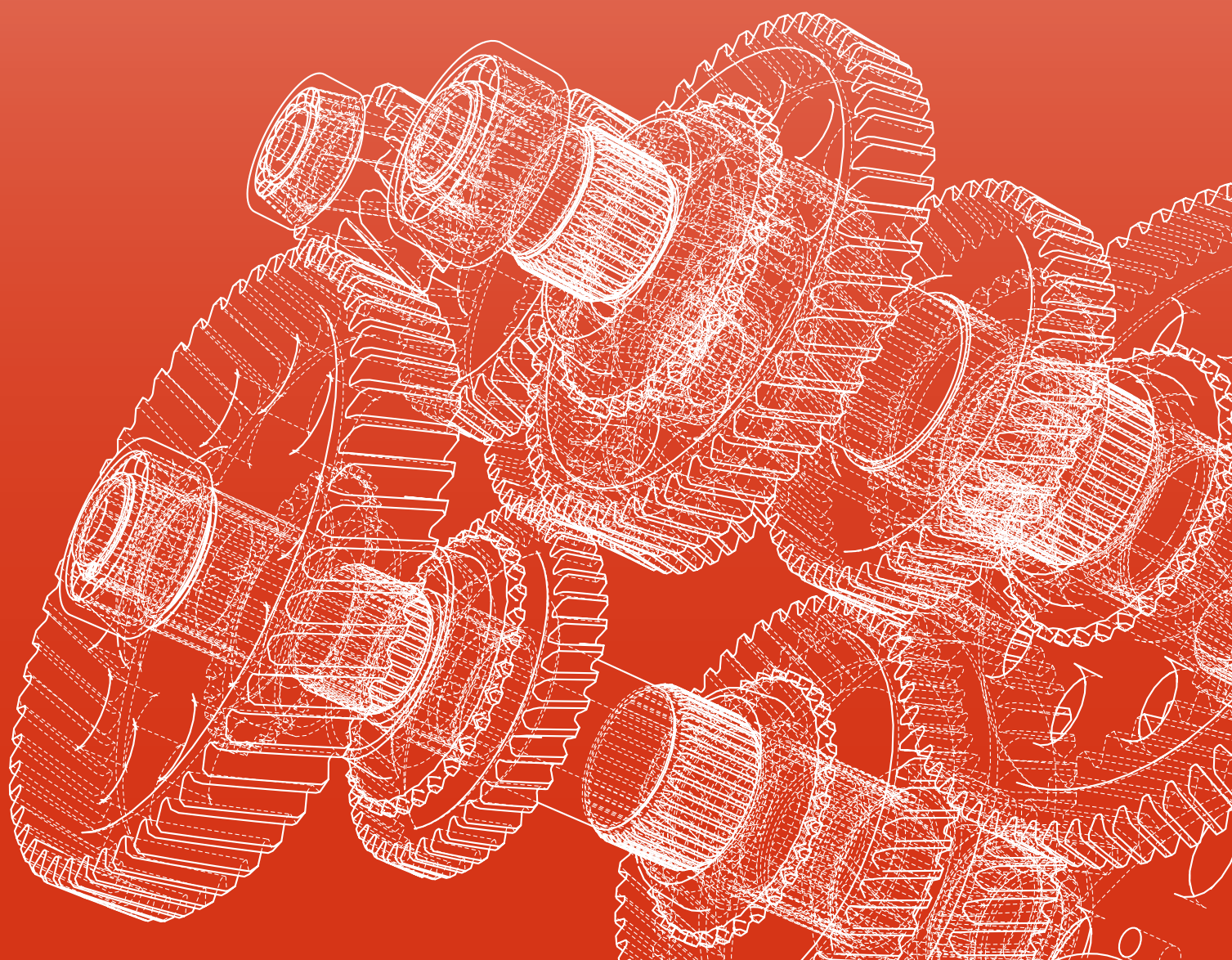


STAYING AGILE.
CREATING VALUE.



Index

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Staying Agile. Creating Value.

Our agility is derived from our proficiency to grasp evolving customer requirements. With a keen focus on understanding the unique needs of our clients, we aim to offer engineering excellence that forms an integral part of their supply chains and delivers immaculate value. It drives us to build processes and products that facilitate change, create one-of-its-kind products that lend us a competitive edge.

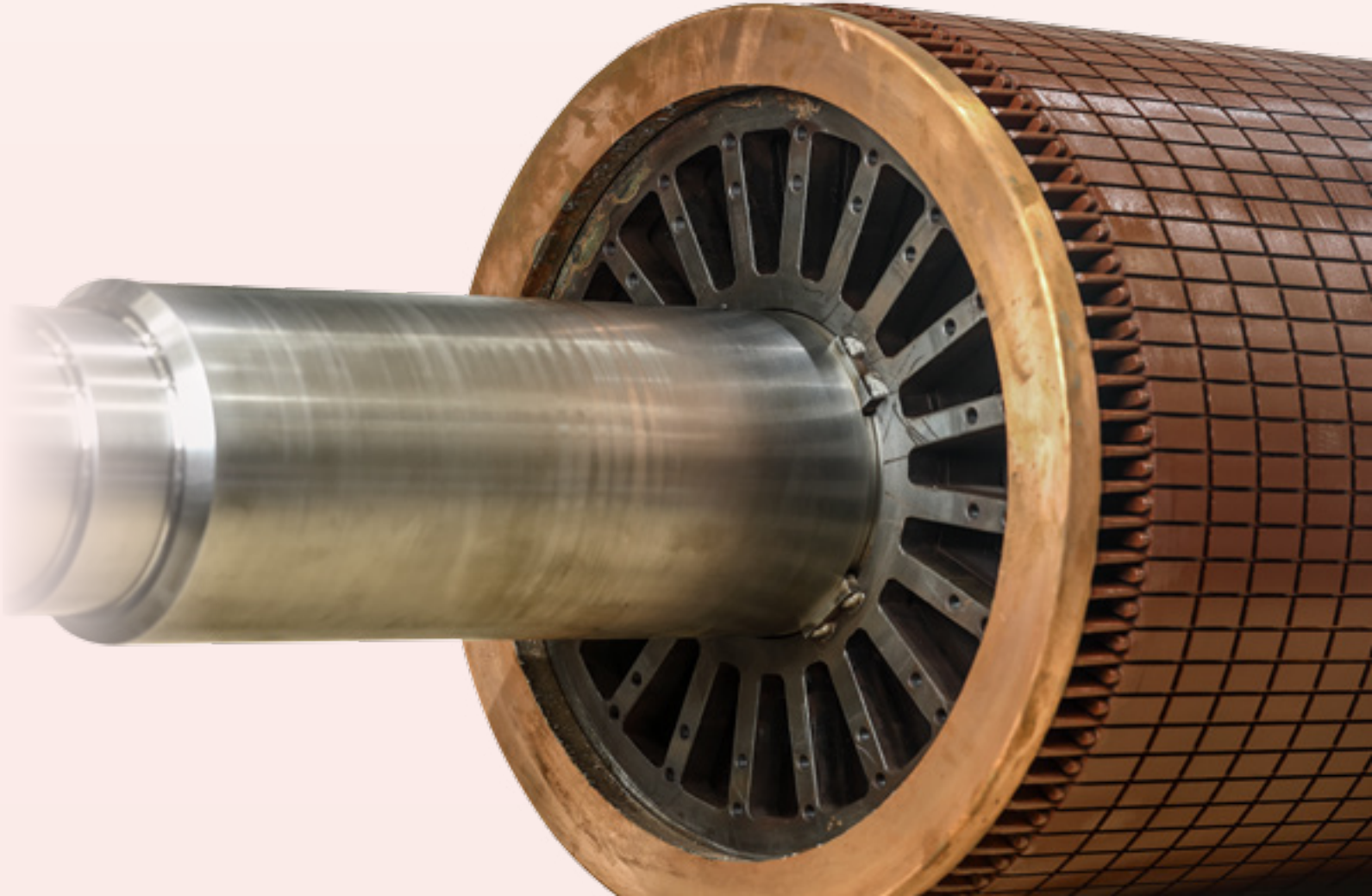
For years, we have steadily improved our manufacturing capabilities, introduced advanced technology and consistently fortified the entire value chain. In our relentless pursuit for excellence, we have strengthened every step of the organisational domain, from design and prototyping to production, packaging and logistics. With growing preference for precision engineered products, we are adopting methods to

reduce redundant processes and aiming to sharpen our skills to align ourselves with emerging industry trends.

To support our growth objectives, we have relied on sustained capital expenditure to remain relevant and successfully tackle major shifts in industry preferences. At Pitti, we are enthusiastic about propagating agility across operations to make way for robust value creation and steer the

organisation towards new growth paths.

We have also demonstrated our agility by efficiently responding to unexpected challenges. While the world remained in the throes of an unfathomable crisis in the year gone by, our resilience, perseverance and dedication empowered us to tide through tough times without a significant impact on financial performance.



Know more about us
www.pitti.in



or scan the QR code

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company’s expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Corporate Information

Board of Directors

Shri Sharad B Pitti

Chairman & Managing Director

Shri Akshay S Pitti

Vice Chairman & Managing Director

Shri N R Ganti

Non-Executive Independent Director

Shri G Vijaya Kumar

Non-Executive Independent Director

Shri M Gopalakrishna

Non-Executive Independent Director

Ms. Gayathri Ramachandran

Non-Executive Independent Director

Shri S Thiagarajan

Non-Executive Independent Director

Key Managerial Personnel

Shri N K Khandelwal

President Corporate Resources & CFO

Ms. Mary Monica Braganza

Company Secretary & Compliance Officer

Bankers

State Bank of India
Kotak Mahindra Bank Limited
Bandhan Bank Limited
SVC Co-Operative Bank Limited
YES Bank Limited

Statutory Auditors

Laxminiwas & Co

Chartered Accountants,
6-3-569, IV Floor, Opp. RTA Office
Above BMW Showroom
Khairatabad, Hyderabad – 500 082

Registered Office

6-3-648/401, IV Floor
Padmaja Landmark, Somajiguda
Hyderabad – 500 082

Factory

Plant II

Survey No. 1837 & 1838
Jingoniguda Road
Nandigaon Village & Mandal
Ranga Reddy District – 509 223
Telangana, India

Plant IV

Survey No. 1837, Jingoniguda Road
Nandigaon Village & Mandal
Ranga Reddy District – 509 223
Telangana, India

Aurangabad

Gut No. 194, Limbe Jalgaon Village
Ganapur Mandal
Aurangabad District – 431 133
Maharashtra, India

Share Transfer Agent

XL Softech Systems Limited

Plot No. 3, Sagar Society
Road No. 2, Banjara Hills
Hyderabad – 500 034

Board of Directors and Profile

Shri Sharad B Pitti

Chairman & Managing Director

Shri Sharad B Pitti, founder of the Company is a visionary leader who pioneered lamination manufacturing in India. He has remained integral to the growth and success of the Company.

Shri G Vijaya Kumar

Non-Executive Independent Director

Shri Gummalla Vijaya Kumar is a practicing Advocate at the High Court of Telangana and has also served as the Government Pleader for revenue for the United State of Andhra Pradesh.

Shri Akshay S Pitti

Vice Chairman & Managing Director

Shri Akshay S Pitti, started his entrepreneurial journey at an early age. With his extensive experience of serving in different roles within the organisation, he has gathered the expertise to efficiently lead the Company.

Shri M Gopalakrishna

Non-Executive Independent Director

Shri M Gopalakrishna is a retired IAS officer who has held senior posts in the Government of Assam, Andhra Pradesh and Government of India. He also served in the Central & State level public sector undertakings and retired as Chairman and Managing Director of Rural Electrification Corporation. He has over five decades of Administrative and Managerial experience. He is the Chairman of the Company's Nomination and Remuneration Committee.

Shri N R Ganti

Non-Executive Independent Director

Shri N R Ganti is a post graduate in Business Administration, having served long with State Bank of India and also has management consultancy experience.

Ms. Gayathri Ramachandran

Non-Executive Independent Director

Ms. Gayathri Ramachandran, IAS (Retd.), held prominent positions in the Ministries of Power, Petroleum, Chemical & Fertilisers and Civil Aviation. She has also served as a Special Chief Secretary to the Government of Andhra Pradesh. She is the Chairman of the Company's Stakeholders Relationship Committee.

Shri S Thiagarajan

Non-Executive Independent Director

Shri S Thiagarajan is a Chartered Accountant with vast experience in financial management and accounting roles. He was the Director (Finance) of NMDC and also served as a Board Member of various associates of NMDC. He is the Chairman of the Company's Audit Committee.



Who we are

Pitti Engineering remains focused on securing its position as an integrated solutions provider for engineering products. Our constant focus on innovation, process upgradation and diversification of the product portfolio has enabled us to emerge as the largest manufacturer of Electrical Sheet Metal products in India today. We are also one of the most reputed manufacturers of specialized ready to use assemblies / sub-assemblies for various engineering products used in diverse applications.

Our capability to offer differentiated products make us one of the most preferred brands in the industry. Pitti has delivered engineering excellence for industries ranging from freight and passenger rail, mass transportation, aerospace and oil & gas to power generation, renewable energy and infrastructure. With our unmatched capabilities, we continue to offer comprehensive solutions to the global clientele.



VISION

Simplifying Engineering Supply Chain

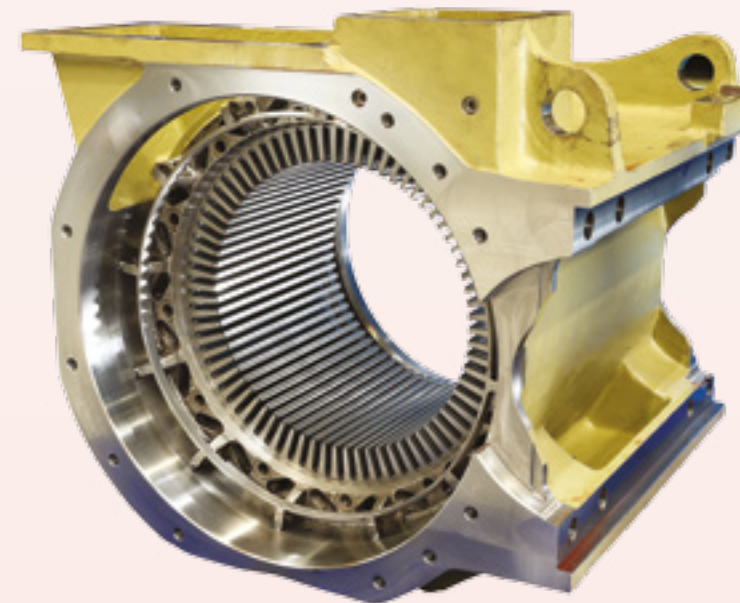
MISSION

To enhance capabilities with cutting edge technology

To integrate multiple engineering processes

To contract customer supply chain

To provide uniquely integrated component



38

Years of Industry experience

13

Regions Served

BBB+ / A2

Credit Rating by Care Ratings

₹ 62.49 crore

CAPEX for FY21

11.43%

5-year CAGR of Revenue

32.61%

5 year CAGR of EBITDA

₹ 213.61 crore

Market Capitalisation as on 31st March 2021

International market presence



Our global presence reflects our passion and related investments made to reinforce our brand and quality at global level. Our relentless focus on increasing our export presence is reflected in our ambitious targets and growing client base.

- 1 Australia 2 Brazil 3 Canada
- 4 Germany 5 Japan 6 Mexico
- 7 South Africa 8 UK 9 USA
- 10 Vietnam 11 Kazakhstan



Facilities

Our success is rooted in our ability to provide pioneering solutions that are a result of excellent engineering capabilities. To support our efforts, we rely on our state-of-the-art manufacturing plants that enable us to produce exceptional products.

Plant		Sheet Metal capacity (in MT)	Machining capacity (in hours)	Gross Block (in ₹ crore)
Hyderabad (Telangana)		10,000	2,83,600	228.02
Aurangabad (Maharashtra) – Mega Project under Incentive Package Scheme 2013 of Government of Maharashtra		29,600	79,200	195.71
Total		39,600	3,62,800	423.73

₹ 270 crore Capex in progress



People

Our employees bring expertise and experience across a wide range of disciplines, and we channelize those capabilities to create value for our domestic and global customers.

1159

Direct employment

591

Professionals including engineers, post graduates and diploma holders



Our Marquee Clientele



Major Order wins in FY 2020-21

Registered with Chittranjan Locomotive Works (CLW), West Bengal to directly supply products for Indian Railways. Delivered Machined Cast Assembly of 3 ph. Electric Loco main parts such as Motor Suspension Units, Axle Box Assembly and Gear Case Assembly.

Expanding the supply of major parts of 3 Ph. Electric Loco.

Joined hands with a Germany based wind firm for supplying 4 MW Platform windmill Pedestals and Bearing Flange to its Indian plant located near Chennai.

Associated with a Japan based Metro Rail Manufacturer for supplying Induction Motor Frame for metro rail. This project is mainly focused on Delhi and Mumbai Metro and has subsequently expanded to all new projects of Indian Metro.

Received developmental orders from major electric loco manufacturing units such as CLW & DMW (Diesel Modernization Works, Patiala) for supplying Motor Suspension Unit, Axle Box Assembly and Gear Case Assembly. This was a major boost for expanding the locomotive business.

Chairman & MD's message



Sharad B Pitti
CHAIRMAN &
MANAGING DIRECTOR

We are optimistic about further enhancing our capabilities and delivering exceptional precision engineering solutions designed for a broad spectrum of industries around the world.

Dear Shareholders

The government's vision to make India a USD 5 trillion economy presents significant opportunity for the Company's future growth.

2020 was an unprecedented year in many ways—not only for our company but, for all of us around the world. While the pandemic caused severe disruptions to life and livelihood, uncertainty loomed large. By virtue of our inherent strengths, our operational capacity and sophisticated manufacturing facilities, we were resolutely focused to overcome obstacles.

Despite the challenges posed by COVID-19, we made significant progress. At Pitti, we successfully reduced overhead expenses and delivered on our promise to create value for our stakeholders across the vertical. During the year, we focused on mitigating risks, explored emerging opportunities and diligently addressed new realities.

Over the years, we have tried to improve our business model and strived to meet evolving engineering requirements. Owing to the challenges posed by the external environment in the last fiscal, we concentrated on medium to long-term strategies that enabled us to introduce innovative solutions that were designed for the future.

During FY 2020-21, we recorded a marginal decline in revenue from operations at ₹ 518.17 crore, in comparison to ₹ 525.06 crore in FY20, primarily due to the Covid-19 pandemic. However, Profit after tax (PAT), increased by 68% to ₹ 28.78 crore during FY 2020-21 including ₹ 16.25 crore of investment subsidy

sanctioned by Government of Maharashtra for the Mega Project at Aurangabad and favorable product mix coupled with cost control initiatives.

The government's vision to make India a USD 5 trillion economy presents significant opportunity for the Company's future growth. Coupled with our ability to manufacture products that add significant value to our customers' businesses, proposed investments by the government in notable infrastructure projects are expected to accelerate our progress in the years ahead. The following projects are envisioned to create significant opportunity for us:

The development of Dedicated Freight Corridors for Indian Railways will encourage the growth and development of urban cities with better rail connectivity.

The logistics network is expected to be strengthened by the Bharatmala Project that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical

infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressways.

The demand for urbanisation is growing due to shift towards non-agricultural work in villages, rising population and economic activities near cities, saturation of large cities and expected doubling of India's urban population to 877 million by 2050.

The integration of mass rapid transport systems such as Metro Rails in the transportation network, adoption of four-wheeler and two-wheeler electric vehicles (EV) and demand for owned apartments is expected to improve infrastructure growth across the country.

Further, we also work closely with the communities where we operate. During the pandemic, we also initiated food distribution programs for migrant workers

and the economically weaker sections of society.

We are optimistic about further enhancing our capabilities and delivering exceptional precision engineering solutions designed for a broad spectrum of industries around the world. Looking ahead, we are determined to carry forward our innovative zeal to develop sustainable products and decisively meet futuristic needs.

I remain extremely grateful to our people for their remarkable resilience during the pandemic. I owe my gratitude towards them as well as their families for their extraordinary courage that helped us to tide through an unprecedented crisis. Together, we are committed to accomplish shared objectives and take the company towards newer heights of success.

Warm Regards,

Sharad B Pitti
Chairman & Managing Director

Vice Chairman & MD's message



Akshay S Pitti
VICE CHAIRMAN &
MANAGING DIRECTOR

Dear Shareholders,

Our EBITDA improved to 15.06% in FY 2020-21, driven by a diversified portfolio of value-added products.

At the beginning of another fiscal, I welcome you to an insightful review of our performance in FY 2020-21. The past year was particularly challenging, but I am extremely impressed by the resilience and perseverance of our team. Despite difficulties, we learnt to adapt to the 'new normal' and continued to provide uninterrupted service to our valued customers.

Operating environment

The Indian economy contracted 7.3% during the fiscal year 2020-21 due to the onset of the Covid-19 pandemic, which led to an unprecedented economic crisis. To aid economic recovery, the Reserve Bank of India and the Government of India adopted an expansionary monetary and fiscal policy to infuse liquidity in the economy. The measures were complemented by favourable policies such as the Production Linked Incentive (PLI) scheme, Extended Credit Line Guarantee scheme (ECLGS) for MSMEs and extensive budgetary allocation for infrastructure projects, among others. During the second half of the financial year, the country witnessed an economic revival but, the second wave of Covid-19 dampened chances of a speedy recovery.

Staying Agile

Despite challenges, we reported sustainable financial and operational performances

during the year under review. We took proactive steps to develop unique solutions for customers and diversified our presence to enter new downstream sectors. We also won an order from Indian Railways for the supply of critical parts for 3 phase electric locomotive project at Chittranjan Locomotive Works. This was a major achievement for us, in line with our efforts to expand our operations in the locomotive sector. The Company also secured an order for supply of Induction Motor to Metro Rail projects in India.

I am pleased to report that the company is gradually making its foray in sunrise sectors such as the renewable energy space. We have collaborated with a Germany-based wind firm for the supply of windmill pedestals and bearing flange for its project in India. Along with it, we have received new orders for steam turbines and hydel pump parts for hydro power generation. We also acquired an order for supply of irrigation pumps from a renowned client.

Operational performance

Despite plummeting demand during the pandemic, the company successfully delivered strong operational performance in FY2020-21. Our EBITDA improved to 15.06% in FY 2020-21, driven by a diversified portfolio of value-added products. The profit margins also improved and return on equity (RoE) and Return on Capital Employed (RoCE) also increased significantly to 12% and 13% respectively.

The Company has done new investment of ₹ 161.54 crores up-to 31st March 2021 in its Aurangabad facility which is recognized as Mega Project by the Government of Maharashtra and is eligible to claim of industrial subsidy equal to the amount invested under IPS-2013 over 7 years starting from 2018-19, however the total claim subsidy is pegged to the total SGST paid by the unit during that period.

During the year, the Company has received approval for investment subsidy for the years 2018-19 & 2019-20 of ₹ 21.66 crore from

Govt of Maharashtra and sanction of ₹ 16.25 crore for the same period as per the policy which is accounted in March 2021.

Exploring opportunities

The Indian government has set a target of becoming a USD 5 trillion economy by 2025. To fulfil this objective, infrastructure development is anticipated to be on the rise in the years ahead. Infrastructure spending is also anticipated to create significant opportunities for the company, mainly on account of its presence in several downstream sectors, particularly in the capital goods sector. Moreover, accelerated digital infrastructure creation and the introduction of 5G telecom network is expected to increase power demand, thereby boosting the power and other ancillary sectors. Simultaneously, demand for energy efficient equipment such as pumps and progressive policy support for sectors such as the sugar industry augurs well for our company. Resting on our

advanced technological capabilities, we remain poised to capitalise on emerging opportunities in various sectors.

With the implementation of the National Railway Plan, the Railway sector also presents significant scope for growth. The company is, therefore, proactively building capacity and negotiating contracts to grow its order book and meet the potential demand. A consistent focus on innovation has also enabled our company to develop the first-of-its-kind shaft inserted rotor, which significantly creates value for customers. The company is also revamping its press shop with advanced capabilities to take advantage of the structural changes taking place in the appliance industry.

Looking Ahead

Although the Covid-19 crisis posed severe challenges, our people exhibited extraordinary courage in their personal as well as professional lives. Your company also benefitted from the strength of its workforce and learnt to efficiently adapt to a 'new normal'.

Looking ahead, we remain optimistic about creating more value for our stakeholders through concerted efforts. The growing demand for our products in various applications produce significant opportunity for us to unlock better prospects in the days ahead. Besides, government initiatives such as Make in India, Aatmanirbhar Bharat & PLI Schemes are anticipated to add impetus to our business growth.

I extend my gratitude to all our stakeholders, including the Board of Directors, customers, employees and business partners who continue to repose their trust on the company and contribute to its development.

Warm Regards,

Akshay S Pitti
Vice Chairman & Managing Director

Looking ahead, we remain optimistic about creating more value for our stakeholders through concerted efforts.

The background of the image is a composite of industrial imagery. On the left, there are stacks of cylindrical metal parts with internal threading. On the right, there are large, detailed wireframe drawings of gears and mechanical components, overlaid on a solid orange-red gradient. The text is positioned on the right side, over the gradient and wireframe elements.

STAYING
AGILE.
**CREATING
VALUE.**

Business Model

Input

Processes

Output

Outcomes



Financial Capital

₹ 235.82 crore

Net Worth

₹ 254.32 crore

Net Debt



Manufacturing Capital

3

Manufacturing Facilities

₹ 228.02 crore

Gross Block in Telangana

₹ 195.71 crore

Gross Block in Maharashtra



Intellectual Capital

38

Years of Industry Experience

₹ 10.14 crore

Investment in new product and process development



Human Capital

1,159

Direct Workforce

591

Professionals, engineers, postgraduates, graduates, and diploma holders

435

New jobs created



Social & Relationship Capital

₹ 0.50 crore

Towards CSR activities

720 Domestic

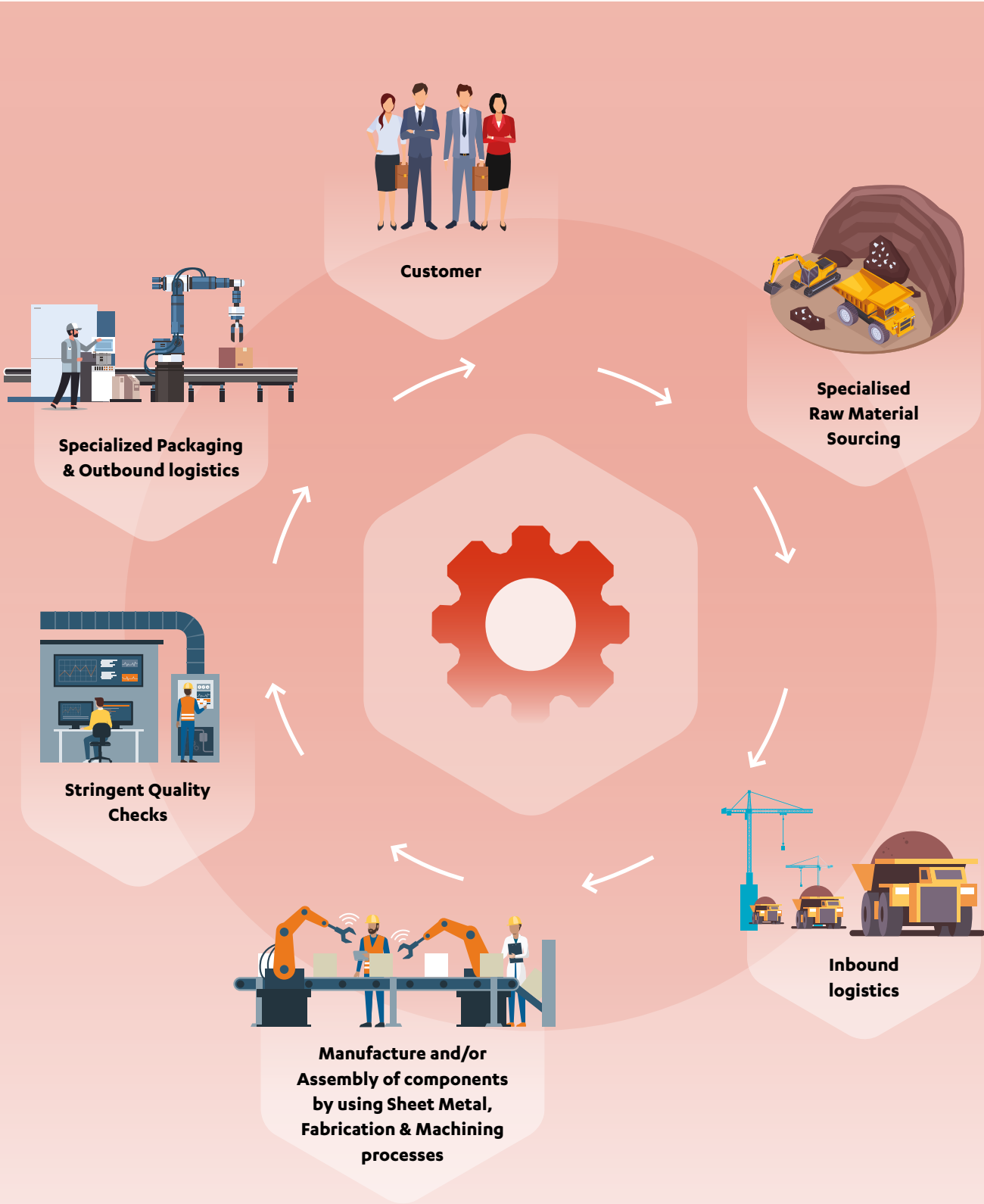
80 International

Vendor Base

65 Cities

10 Countries

Supply Chain Spread



₹ 538.67 crore

Revenues

13.40%

RoCE

₹ 8.98

EPS

₹ 78.04 crore

EBITDA

15.06 %

EBITDA margin

₹ 28.78

PAT

5.34%

PAT margin

39,600

MT Production capacity of sheet metal

3,62,800

CNC Machine Hours

Mega project

Status granted to Aurangabad facility by Government of Maharashtra

₹ 22.50 crore

Investment in new product line- shaft manufacturing

4,843

Tool library

1,232

New product development

319

Long Serving Employees (>5 years)

20.35%

YoY increase in workforce

14.87%

Internal Succession Rate

2264

People benefitted from CSR activities

85 Domestic
11 International

Customer Base

35 Cities
5 Countries

Customer Spread

- Largest exporter of electrical laminations from India
- Investment for further growth
- Securing sustainable profits
- Enhancement of value for all stakeholders

- Globally recognized facility
- Efficient utilization of assets
- Real time monitoring of operational parameters for safety, quality and reliability

- Ensuring operational excellence through innovation
- Differentiated product offering - creating niche market

- Safe, fair and healthy work place
- Developed and empowered team
- Personal and profession growth opportunities

- Constant efforts undertaken to uplift the communities in which we operate
- Diverse supplier base to leverage unique product offering
- Strong & enduring relationship with Customers

Resilient Performance



Particulars	FY 21	FY 20	FY 19	FY 18	FY 17
Balance Sheet and P&L Highlights (₹ in crore)					
	IND AS				
Revenue (excluding taxes)	538.67	528.74	624.48	381.74	288.92
EBITDA*	78.04	77.72	90.10	54.58	33.54
Finance Cost	29.60	34.12	29.61	23.48	15.32
PBT	38.57	19.86	40.34	16.31	5.12
PAT	28.78	17.10	23.72	11.28	4.31
Total Comprehensive Income	28.01	16.84	22.87	11.54	5.40
Cash Accruals**	58.40	44.26	45.28	29.18	21.58
Net Worth	235.82	207.80	175.96	154.56	112.42
Debt	254.32	219.45	248.45	255.92	194.80
Net Fixed Assets	288.61***	258.18***	234.67	213.31	124.97
Inventory	157.22	126.50	100.27	129.16	144.97
Debtors	171.77	139.38	182.49	136.92	102.79
Cash & Bank	8.91	14.86	13.96	13.52	11.02
Total Assets	701.08	596.09	584.05	548.88	410.02
Per Share Ratio (in ₹)					
Earning per share (EPS)	8.98	5.41	7.67	4.22	2.00
Dividend per share (DPS)	-	-	-	-	-
Book Value per share (BVPS)	73.58	63.18	58.99	51.82	41.66
Growth Ratio (%)					
Revenue Growth	1.88	[15.33]	63.59	32.13	[7.84]
EBITDA Growth	0.41	[13.74]	65.08	62.73	76.25
PAT Growth	68.30	[27.91]	110.28	161.72	145.08
Total Comprehensive Income Growth	66.33	[26.37]	98.18	113.70	156.49
Growth in Book Value per Share	16.46	7.10	13.84	24.39	5.10
Inventory - Increase / (Decrease)	24.28	26.16	[22.37]	[10.91]	23.31
Margin Ratio (%)					
EBITDA Margin	15.06	14.80	14.48	14.41	11.73
PAT Margin	5.34	3.23	3.80	2.95	1.49
Total Comprehensive Income Margin	5.20	3.18	3.66	3.02	1.87
Debt - Equity Ratio (in times)	1.08	1.06	1.41	1.65	1.73

*Profit Before Tax + Finance Cost+ Depreciation - Other Income

** Total Comprehensive Income + Depreciation

*** Including ROU asset of ₹ 73.95 crore as on 31st March 2021 and ₹ 24.23 crore as on 31st March 2020