



PRITIKA AUTO INDUSTRIES LTD.

Regd. Office : Plot No. C-94, Phase VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab-160 055

CIN : L45208PB1980PLC046738 Phone No. : 0172-5008900, 5008901

E-mail : info@pritikaautoindustries.com, compliance@pritikaautoindustries.com

Website : www.pritikaautoindustries.com

Date: 14th August, 2021

To Department of Corporate Services, National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	To Department of Corporate Service BSE Limited, P.J.Towers, Dalal Street, Mumbai --400 001
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NSE Symbol: PRITKAUTO

BSE Scrip Code: 539359

Dear Sir/ Madam,

The details required under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular number CIR/CFD/CMD/4/2015 dated 9th September, 2015 are mentioned below:

DE MERGER

SR. NO.	PARTICULARS	DETAILS
1	Brief details of the division(s) to be demerged	Automotive/tractor/engineering components business undertaking of Pritika Industries Ltd. situated at Plot No. C-94, Phase-7, Industrial Focal Point, S.A.S. Nagar, Mohali (Punjab) and at Village Bathri, Tehsil Haroli, Tahliwala-Garshankar Road, Distt Una (H.P.)
2	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding Financial Year / based on financials of the last financial year	Turnover of the Demerged Undertaking - Pritika Industries Ltd. (Demerged Company – Unlisted Company) from: - Automotive/tractor/engineering components business undertaking during the year ended 31/3/2021- Rs.14050.81 lac Percentage to the total turnover of Pritika Auto Industries Ltd. during the year ended 31/3/2021 - 71.37%
3	Rationale for merger	a) With the complete integration of the Demerged Undertaking with Resulting Company, the manufacturing and machining capacity of the Resulting Company will stand enhanced. PIL fulfils its raw material supply (i.e., Raw Castings) needs from PAIL, the Demerger would eliminate the inter dependence and shall be a forward integration of manufacturing



and machining activities of PAIL which in turn add to efficiency, economy in operations and ultimately add to shareholders wealth.

b) PIL and PAIL are in the same line of business and cater the needs of same customers (i.e. OEMs). The Scheme of Arrangement would consolidate and synchronize the business structure and eliminate the unnecessary competition and conflict of interest within the group which will create transparency and confidence with the investors and the market.

c) The Demerged Company currently has business interest in diverse businesses such as Manufacturing, Healthcare and Investment & Financing activities and other allied activities. With a view to achieve greater management focus in other business activities, Demerged Company proposes to demerge its business interest in the Demerged Undertaking and vest the same in the Resulting Company.

d) The consolidation of operations of the Manufacturing Business of Demerged Company and the Resulting Company by merging the Demerged Undertaking into Resulting Company, will lead to a more efficient utilisation of capital, administrative and operational rationalization and promote organisational efficiencies. It will help achieve cost efficiency that will enhance the financial efficiencies and help achieve economies of scale, reduction in overheads and improvement in various other operating parameters.

e) The Demerged undertaking and remaining undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods leading to different growth potentials. Hence segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently.

f) The demerger would result in achieving efficiency in operational process by designing and implementing independent strategies specifically designed for the two businesses and in optimising profitability. This would in turn enhance the shareholders wealth.

g) Targeting and attracting new investors with specific focus and expertise in the two businesses thereby providing the necessary funding impetus to the long-term growth strategy of the two businesses.

h) Integration would result in maximising overall shareholder value, improving the competitive position and enabling to unlock the economic value of both the entities.

i) Improved organisational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.



j) Cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

4 Brief details of change in shareholding pattern (if any) of all entities

The change in shareholding pattern of **Pritika Auto Industries Ltd. (the Resulting Company)** consequent upon Scheme of Arrangement is given below:

Category	Existing shareholding	%age	Post Approval Scheme shareholding of resulting company	% age
Promoters & Promoters Group	4,24,42,545	47.86	10,42,62,049	69.27
Public	4,62,29,955	52.14	4,62,50,618	30.73
Total	8,86,72,500	100	15,05,12,667	100

The change in shareholding pattern of Pritika Industries Ltd. (the Demerged Company) consequent upon Scheme of Arrangement is given below:

Category	Existing shareholding	%age	Post Approval Scheme shareholding of demerged company	% age
Promoters & Promoters Group	98,12,620	99.97	98,12,620	99.97
Public	3,280	0.03	3,280	0.03
Total	98,15,900	100.00	98,15,900	100.00

There will be no change in shareholding pattern of Demerging Company post approval of Scheme of arrangement

5 In case of cash consideration - amount or otherwise share exchange r

There will not be any cash consideration.

63(Sixty-three) equity shares of PAIL ("Resulting Company") of INR 2/- each fully paid up will be issued to equity shareholders of PIL ("Demerged Company"), in addition to, not substitution of, for every 10(ten) equity shares of INR 10/- each fully paid of PIL ("Demerged Company") as consideration for Demerger.



6	Whether listing would be sought for listed entity	The Equity Shares of the Resulting Company are already listed on NSE & BSE. The new Equity Shares ('New Shares') to be issued and allotted to the shareholders of Demerged Company, pursuant to the above Scheme, shall also be listed with NSE & BSE, subject to necessary approvals.
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Kindly take the above on record.

Thanking you.

Yours faithfully
For Pritika Auto Industries Ltd.



C B Gupta

Company Secretary & Compliance Officer



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The Calcutta Stock Exchange Limited,
7, Lyons Range
Calcutta- 700 001

CSE Scrip Code: 18096