

PRITIKA AUTO INDUSTRIES LTD.

(Formerly Known as Shivkrupa Machineries and Engineering Services Limited)

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Media Release

**Performance impacted by significant
Slowdown in automotive and tractor industry**

H1FY20 Production volume at 14,891 tons

H1 FY20 Net Revenue at Rs. 93.27crore

H1 FY20 EBIDTA at Rs. 12.31 crore

H1 FY20 PAT at Rs. 4.36crore

H1 FY20 Basic EPS at Rs. 2.46

Chandigarh, 11th November 2019: Pritika Auto Industries Limited (BSE: 539359), among leading manufacturers of tractor components in India, announced its un-audited results for the quarter and half year ended 30th September 2019. These financials are as per the IND AS accounting guidelines.

Key Financials (Consolidated) (Rs. Cr.):

Particulars	Q2 FY20	Q2FY19	YoY%	H1 FY20	H1 FY19	YoY%
Production Volumes (TPA)	7,682	9,647	(20.37%)	14,891	17,842	(16.54%)
Net Revenue	48.58	60.45	(19.64%)	93.27	111.13	(16.07%)
EBIDTA(excluding other income)	5.98	9.04	(33.84%)	12.31	17.49	(29.61%)
PAT	2.14	4.33	(50.50%)	4.36	7.87	(44.57%)
Basic EPS (in Rs.)	1.21*	2.46	(50.81%)	2.46*	4.48	(45.09%)

**Preferential issue of 1,75,000 equity shares during Q4 FY19*



Financial Results Highlights for the quarter ended 30th September 2019:

- **Production volume for Q2 FY20** was at **7,682 tons**, as against 9,647 tons in Q2 FY19, **YoY decline of 20.37%**, owing to the significant slowdown in the automotive and tractor industry
- **Net Revenue** for the quarter was **Rs. 48.58 crore** in Q2 FY20, as against Rs. 60.45 crore in Q2 FY19. Realization per ton improved by 1% YoY during the quarter
- **EBITDA** (excluding other income) was at **Rs. 5.98 crore** in Q2 FY20 as against Rs. 9.04 crore in Q2 FY19. This decline has been on account of higher other expenses as percentage of sales due to lower capacity utilization
- **Profit After Tax** was **Rs. 2.14 crore** in Q2 FY20
- **Basic EPS** was at **Rs. 1.21**

Financial Results Highlights for the half year ended 30th September 2019:

- **Production volume for H1 FY20** was at **14,891 tons**, as against 17,842 tons in H1 FY19, **YoY decline of 16.54%**, due to the significant slowdown in the commercial vehicle Industry
- **Net Revenue** for the six months was **Rs. 93.27 crore** in H1 FY20, as against Rs. 111.13 crore in H1 FY19. Despite the decline in revenue, the realizations per ton improved in H1 FY20 vis-à-vis the previous corresponding period
- **EBITDA** (excluding other income) was at **Rs. 12.31 crore** in H1 FY20 as against Rs. 17.49 crore in H1 FY19. This decline has been on account of lower capacity utilizations owing to the industry-wide slowdown in demand.
- **Profit After Tax** was **Rs. 4.36 crore** in H1 FY20
- **Basic EPS** was at **Rs. 2.46**

Key Developments – Q2FY20:

- The Company won its first export order for machined castings from a US-based multinational conglomerate. The order is worth USD 0.5 million and opens up avenues for similar orders in the future.



Management Comments:

Commenting on the quarterly results, **Mr. Raminder Singh Nibber, Chairman, Pritika Auto Industries Limited** said:

"Our revenue for this quarter stood at Rs. 48.6 crore, while EBITDA and PAT were Rs. 6.0 crore and Rs. 2.1 crore, respectively. Our Company has also been impacted by the headwinds faced by the entire automotive value chain, despite which we improved our revenue realizations per ton. Leading OEMs across India rely on us to deliver quality products on time, reaffirming the trust and faith they have placed in us. Correspondingly, we continue to enhance our portfolio with new products that improve realizations and profitability. We expect the demand to recover through Q4 FY20.

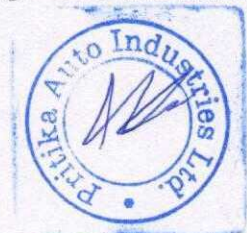
I am very happy to share with you all that we won our first export order during this quarter. Our participation at 'Agritecnica' in Germany had fetched several inquiries. This has fructified into an export order worth USD 0.5 million from a US-based multinational conglomerate, for casted products. The products would be used in material handling applications, thereby diversifying our catering beyond the automotive sector. The order is under execution and we expect similar orders in the near future. This opens up our avenues in international markets for the first time, as well as diversifying our product portfolio. We will also be participating in this year's Agritecnica in Hanover, Germany.

We expect the domestic market to have bottomed out, with gradual signs of recovery by the end of the year. Correspondingly, we forecast a flattish financial year compared to the previous year. Our technological capabilities, operational efficiencies, and strong client relationships continue to be our pillars of strength, seeing us through this sluggish period. To complement this, we are also adding value-added products to our portfolio, which is expected to improve our profitability.

I would like to thank the entire team of 'Pritika' for their untiring efforts, hard work, sincerity and dedication. Also, I would like to thank all our valued stakeholders, whose support and faith in our Company gives us the determination and ambition to set and achieve higher benchmarks."

About Pritika Auto Industries Limited:

Pritika Auto Industries Ltd. is a flagship company of the Pritika Group of Industries which was set up in 1974 by Mr. Raminder S. Nibber, manufacturing small forgings. Over the last four



decades and under Mr. Nibber's visionary leadership, the Company has established itself as a robust and reliable brand in its market, specializing in machined castings and automotive components. A quality driven organization, Pritika produces world class components from modern facilities. The merger of Pritika Autocast Ltd and Nibber Castings Pvt Ltd. (wholly owned subsidiaries of Pritika Auto Industries Ltd.) was approved by the Honorable NCLT bench, Chandigarh in 2019. Pritika has manufacturing facilities situated at Derabassi and Hoshiarpur (Punjab), and Tahliwal (Himachal Pradesh) with a total capacity of 50,000 metric tons per annum (MTPA) in FY19.

Catering primarily to tractors and commercial vehicles, Pritika focuses on expanding and diversifying its product portfolio. The Company manufactures a wide range of products such as axle housings, wheel housings, hydraulic lift housings, end cover, plate differential carrier, brake housings, cylinder blocks, and crank cases, among others. Pritika is one of the biggest component suppliers in the tractor segment of the automobile industry in India and supplies to OEMs like M&M Swaraj, Swaraj Engines Ltd, TAFE, Escorts, SML Isuzu, TMTL, Ashok Leyland, New Holland Tractors India Ltd., Brakes India etc. The Company's vision is to provide products which meet customer's quality requirement constantly at competitive prices.

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Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

