



PRITIKA AUTO INDUSTRIES LTD.

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Media Release

Performance impacted by Covid-19 Pandemic causing slowdown in industry

Q1 FY21 Production volume at 3,225 tons

Q1 FY21 Net Revenue at Rs.22.81 crore

Q1 FY21 EBIDTA at Rs.0.21 crore

Chandigarh, 31st August 2020: Pritika Auto Industries Limited (BSE: 539359), among leading manufacturers of tractor components in India, announced its un-audited results for the quarter ended 30th June 2020. These financials are as per the IND AS accounting guidelines.

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

Particulars	Q1 FY21	Q1 FY20	YoY%	FY20	FY19	YoY%
Production Volumes (TPA)	3,225	7,209	(55.26)	26,257	33,110	(20.70%)
Net Revenue	22.81	44.70	(48.97)	167.95	209.71	(19.91%)
EBIDTA (excluding other income)	0.21	6.32	(96.67)	20.98	30.17	(30.45%)
PAT	(2.39)	2.22	(207.86)	5.58	14.12	(60.50%)
*Basic EPS (in Rs.)	(1.35)	1.25	(208.00)	3.15	8.03	(60.77%)

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

Financial Results Highlights for the quarter ended 30th June 2020:

- **Production volume for Q1 FY21 was at 3,225 tons**, as against 7,209 tons in Q1 FY20, **YoY decline of 55.26%**, on account of suspension of business operations during lockdown and slow demand uptake. This volume represents less than one and a half month of operations.
- **Net Revenue** for the quarter was **Rs. 22.81 crore** in Q1 FY21, as against Rs. 44.70 crore in Q1 FY20 mainly due to the lower volumes. However, realization per ton improved by 14% YoY during the quarter.



- **EBITDA**(excluding other income)was at **Rs. 0.21 crore** in Q1 FY21 as against Rs.6.32 crore in Q1 FY20. This decline has been on account of relatively higher employee and other expenses since all staff was retained at full pay during lockdown and fixed expenses were incurred despite lower sales.
- **Loss After Tax** was **Rs. 2.39 crore** in Q1 FY21, while Basic EPS stood at Rs. -1.35

Recent Developments:

- In March-April 2020, the Company temporarily shut down production and all operations as per the Government directives, in light of the outbreak of Covid-19 pandemic
- Pritika Auto won a repeat export order from the US-based client, bringing the total export order value to USD 2 million

Management Comments:

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

"The past few quarters have been challenging for the auto sector as well as overall economy. However, Pritika Auto has been resilient in the face of market headwinds. Our revenue for Q1 FY21 stood at Rs. 22.81 crore, while EBITDA was Rs. 0.21 crore. The entire automotive value chain has been sluggish, which was worsened by the nationwide lockdown due to COVID-19. Despite this, we have improved our revenue realization per ton. Our volumes this quarter represent less than one and a half months of operations. While the lockdown adversely impacted sales and consumer sentiment, leading OEMs across India continue to rely on us to deliver quality products on time, reaffirming the trust and faith they have placed in us.

Since March 2020, the Covid-19 outbreak has further worsened the challenging industry scenario. This pandemic has resulted in a significant slowdown in the overall economy, impacting all businesses across the nation as well as the world. Likewise, we at Pritika Auto have also been significantly impacted by this in terms of low demand. However, we retained our entire workforce without any pay cuts during this time. As the industry re-opens gradually, the entire impact of this business lockdown remains to be seen.

On a brighter note, the agricultural sector is expected to boom in the second half of this year, backed by a strong monsoon. This coupled with gradual reopening of industries is likely to



stimulate the market and trigger recovery. We are already witnessing the positive effects of this in our order book.

To complement domestic recovery, we also aim to grow our international reach. We recently won a repeat export order from our existing US-based client. This brings our total export order value to USD 2 million. The repeat order reaffirms the trust and value that international clients associate with Pritika, based on our product quality and on-time delivery. Our regular participation at 'Agritechnica' in Germany gave us increased visibility in international markets. These products are being used in material handling applications, thereby diversifying our catering beyond the automotive sector. Such developments open up new avenues in international markets and help diversify our product portfolio. We expect the export business to grow further this year, with existing clients as well as possibility of adding new clients.

Following economic and operational recovery from the Covid-19 pandemic, we expect the domestic tractor market to start rebounding. Agricultural growth should further spur demand in the coming quarters. Our technological capabilities, operational efficiencies, and strong client relationships continue to be our pillars of strength, seeing us through this period. To complement this, we are also adding value-added products to our portfolio, which is expected to improve 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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