



# PRITIKA AUTO INDUSTRIES LTD.

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## **Subject: Tractor market to report strong growth in Q2 FY21**

Dear Sir / Ma'am,

This is to inform that Pritika Auto Industries Limited (BSE: 539359) expects a strong growth in demand and production of tractors in the domestic market in the coming quarters.

Backed by a good monsoon, the agriculture sector is expected to report strong growth in the second quarter of FY20. This is further complemented by supportive government policies and initiatives to boost the rural economy and farmers' income. Consequently, increased farm activity would generate higher demand for tractors in the domestic market.

As per the Tractor Manufacturers Association (TMA), the production and sales of tractors in India grew 16.5% and ~20% year-on-year, respectively, in February 2020. This trend is projected to continue as the industry is forecast to grow at a CAGR of 8-10% during 2017-22.

Pritika Auto is poised and ready for this expected rise in demand. After a sluggish year, worsened by the COVID-19-induced lockdown in March-April 2020, the Company has further streamlined internal efficiencies. With its capacity and workforce in place, the Company is well positioned to capitalize on the upcoming opportunities, reflected by a robust order book.

### **Management Comment:**

Commenting on the market outlook, Mr. Harpreet S. Nibber, Managing Director, Pritika Auto Industries Limited said:

*"We are excited about the industry scenario going into the second quarter of FY21. After a sluggish period for the automotive sector over the past year, the COVID-19 pandemic had further worsened the economic situation across industries. However, with the economy opening up, we expect an upswing in the overall market scenario.*

*Backed by a healthy monsoon, the agriculture industry is expected to flourish in the coming months, leading to higher farm activity. This will translate to higher demand for tractors. Support from government policies and initiatives to boost the rural economy would provide additional tailwind.*

*We, at Pritika, are well positioned to optimally utilize the upcoming opportunities and deliver at capacity. We retained our entire workforce during this lockdown and have had the time to further streamline internal efficiencies. With a buoyant market forecast in sight, we are poised*



to deliver to the higher demand and expect the benefits to last through the following quarters of FY2021. This has already started reflecting in our robust order book.

*I thank all the stakeholders and the entire team of 'Pritika' for their untiring efforts, hard work, sincerity and dedication that help us set and achieve higher benchmarks."*

### **About Pritika Auto Industries Ltd.**

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 process 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 exceeding 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.

**For more details please visit: [www.pritikagroup.com](http://www.pritikagroup.com)**

**Note:** *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.*

