

PRESS RELEASE
June 12, 2020
RESULTS AND BUSINESS UPDATE FOR THE YEAR ENDED 2019-20
RESULTS UPDATE:
Standalone audited results for the year ended:
(Rs. In millions)

PARTICULARS	MARCH 2020		MARCH 2019		Growth %
	Amount	%	Amount	%	
Operating Revenue (Net of taxes)	10,709.46		10,584.94		1.18%
EBIDTA (Operational)	1,898.33	17.73%	1,786.65	16.88%	6.25%
Profit before exceptional items and tax	1,757.88	16.41%	1,738.90	16.43%	1.09%
Exceptional Items	259.92	2.43%	-	-	-
Profit before tax after exceptional items	1,497.96	13.99%	1,738.90	16.43%	-13.86%
Profit after tax	1,233.32	11.52%	1,148.23	10.85%	7.41%

Phoenix Lamps Division (Including Trifa & Luxlite) for the year ended:

PARTICULARS	MARCH 2020		MARCH 2019		Growth %
	Amount	%	Amount	%	
Operating Revenue (Net of taxes)	3,124.81		3,184.38		-1.87%
EBIDTA (Operational)	307.52	9.84%	370.53	11.64%	-17.00%

Suprajit Engineering Limited Non-automotive (SENA) Division (including India and Wescon US) for the year ended:

PARTICULARS	MARCH 2020		MARCH 2019		Growth %
	Amount	%	Amount	%	
Operating Revenue (Net of taxes)	3,145.16		3,395.26		-7.37%
EBIDTA (Operational)	349.78	11.12%	495.90	14.61%	-29.47%

Suprajit Engineering Limited - Automotive Cable division (including Suprajit Automotive and Suprajit Europe) for the year ended:

PARTICULARS	MARCH 2020		MARCH 2019		Growth %
	Amount	%	Amount	%	
Operating Revenue (Net of taxes)	9,358.35		9,319.36		0.42%
EBIDTA (Operational)	1,529.70	16.35%	1,461.34	15.68%	4.68%

Consolidated audited results for the year ended:

PARTICULARS	MARCH 2020		MARCH 2019		Growth %
	Amount	%	Amount	%	
Operating Revenue (Net of taxes)	15,628.32		15,899.00		-1.70%
EBIDTA (Operational)	2,187.00	13.99%	2,327.77	14.64%	-6.05%
Profit before exceptional items and tax	1,603.01	10.26%	2,052.21	12.91%	-21.89%
Exceptional items	274.38	1.76%	-	-	-
Profit before tax after exceptional items	1,328.63	8.50%	2,052.21	12.91%	-35.26%
Profit after tax	1,039.65	6.65%	1,337.94	8.42%	-22.29%

Above Operational EBITDA is without considering all non-operational income, forex gain / loss.

Dividend:

The Board of Directors, at its meeting held on February 01, 2020, has declared interim dividend of Re. 0.75 (75%) per equity share (face value: Re 1/- each) and also, at the Board Meeting held on March 03, 2020, the Board has declared a second interim dividend of Re. 1 (100%) per equity share (face value: Re 1/- each) for the year. Total dividend paid during the year was 175% against 155% of previous year. Board, after careful assessment, has confirmed the interim dividends as final.

Total dividend including tax paid during the year is thus, Rs. 288.95 million as against Rs. 249.09 million during the year 2018-19, an increase of 20% in terms of total dividend payment.

Group debt level (Rs. in million):

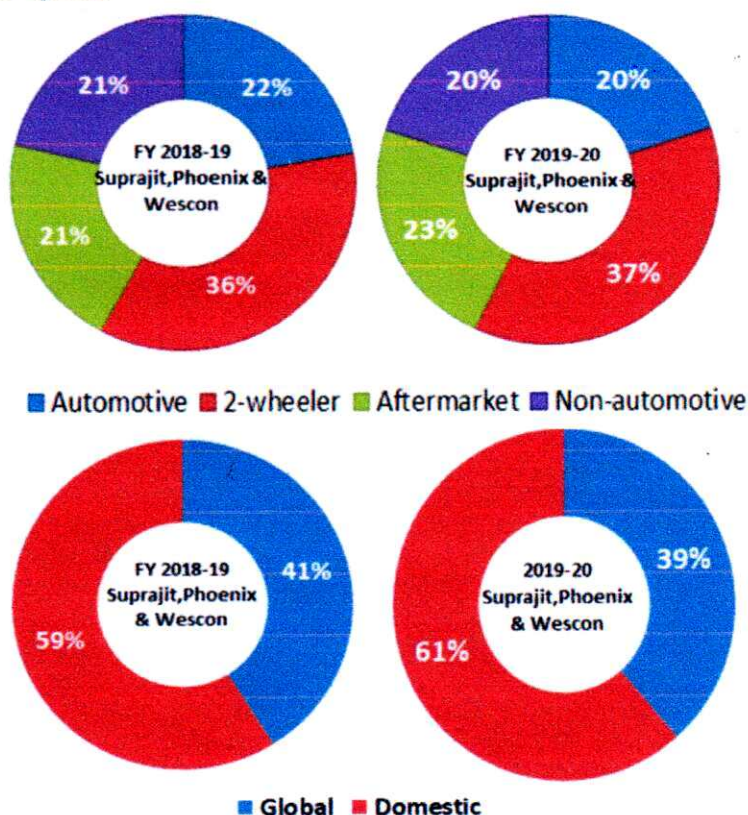
DEBT LEVEL (Group)	2019-20	2018-19
Long Term	1,351	1,613
Short Term	2,453	2,007
TOTAL	3,803	3,620

Liquid investment (Rs. in million):

	Mar-20	Mar-19
Market value of liquid investments	2,654	1,720

Credit Ratings:

Instrument	Rating Agency	2019-20	2020-21	Remarks
Long Term Debt	CRISIL	AA/ Stable	AA/ Stable	Re-affirmed
Long Term Debt	ICRA	AA/ Stable	AA/ Stable	Re-affirmed
Long Term Debt	India Ratings	AA/ Stable	AA/ Stable	Re-affirmed
Short Term	CRISIL	A1+	A1+	Re-affirmed
Short Term	ICRA	A1+	A1+	Re-affirmed
Short Term	India Ratings	A1+	A1+	Re-affirmed

Sector and Geographic splits:**BUSINESS UPDATE:****Operations – COVID-19:**

- The continued slowdown in automotive sector culminated with the onset of COVID-19 pandemic worldwide, accelerating the degrowth.
- COVID-19 pandemic had material impact in Q4 with lockdowns at various geographies of differing intensities and timelines. This has impacted Q4 performance.
- The impact of COVID-19 on economic activities will be lot more severe and adverse during Q1 current year as well as for the year.
- Separate updates on COVID-19 impact has been released to the stock exchanges from time to time, latest one is released this day.

Operations – Overall:

- The standalone operational revenue for the financial year 2019-20 was Rs. 10,709.46 million as against Rs. 10,584.94 million during the financial year 2018-19. The operational EBIDTA for the financial year 2019-20 was Rs. 1,898.33 million as against Rs. 1,786.65 million during the financial year 2018-19.

- The consolidated operational revenue for the financial year 2019-20 was Rs. 15,628.32 million as against Rs. 15,899.00 million during the financial year 2018-19. The operational EBIDTA for the financial year 2019-20 was Rs. 2,187.00 million as against Rs. 2,327.77 million during the financial year 2018-19.
- Operational performance has been satisfactory under the prevailing difficult circumstances.
- The cable capacity for the group now stands at 300 million cables / year, after successful commercial operations at the new plants in Narsapura and Doddaballapura.
- The capacity of Halogen Lamps now stands at 110 million / year, after successful integration of the Chennai plant, purchased from Osram, into Phoenix Lamps Division.
- Management decided to critically review all investments, both financial and strategic during the year. As a prudent measure, exceptional provisions have been made in goodwill / investment values in subsidiaries as well as Company's investments in Franklin Templeton funds. These have been elaborated in notes to the financial results. This has led to lower profits post exceptional items.
- Year 2019-20 has also been a year wherein managements of subsidiaries - Wescon, Suprajit Europe, Luxlite and Trifa, critically reviewed operations, cleaned up inventories, restructured and changed plant layouts, set up new warehouses etc., keeping the future in perspective. During the year, this led to certain costs, all one offs in nature, which were written off to P&L. They include amongst others:-

Wescon: Facility transformation costs, changes in inventory reserve policies and write off of obsolete inventory, etc.

Suprajit Europe: Additional warehouse set up costs at Koper Slovenia to manage possible fallout of Brexit.

Trifa and Luxlite: Consolidation costs of warehouse into a single larger newly located warehouse, onetime employee settlements, inventory provisions, etc.

Such one off charges to subsidiaries' P&L is approx. Rs. 200.00 million in total. This has reduced the profitability for the year on a consolidated basis.

BOARD MATTERS:

- Mr. Harish HV has joined the Board as an independent director.
- Mr. Akhilesh Rai, Chief Strategy Officer of the Company, has been elevated to the board, and is designated as Director and Chief Strategy Officer.

Their profiles are appended hereto.

OUTLOOK FOR THE CURRENT YEAR:

- The outlook for the current year looks very challenging and uncertain as it is difficult to assess the full and accurate impact of COVID-19 both in domestic and global markets.
- Management has carefully assessed various scenarios of COVID-19 impact. It has also taken multiple steps across the group to minimize its impact, including streamlining operations, employee cost reductions, improving efficiencies, reducing costs, etc.
- Capex for the year across the group will be kept at bare minimum.
- Considering significant cash balances and undrawn credit facilities from the banks, Company does not foresee any liquidity issues whatsoever.
- In line with the past guidances, the consolidated group revenues for the year is expected to outperform Indian automotive Industry. Management expects the EBIDTA to be in the range of 10-14%, considering significant uncertainties as outlined.


About Suprajit Engineering Limited:

Suprajit is India's largest automotive cable and halogen lamp maker with an annual global capacity of 300 million cables and 110 million halogen lamps. Suprajit's customer list includes most Indian automotive majors. It also exports to many marquee global customers.

For further information, please contact:

Mr. Medappa Gowda J Chief Financial Officer & Company Secretary Suprajit Engineering Limited Email : medappagowdaj@suprajit.com	Ms. Bhargavi Aithal Sr. Manager – Corporate Communications Suprajit Engineering Limited Email : bhargavi@suprajit.com
--	---

For Suprajit Engineering Limited,


K. Ajith Kumar Rai
Chairman.

Profile of Mr. Harish H V

Bachelor of Engineering (Mechanical) (UVCE Bangalore)
Post Graduate Diploma in Management (IIM Calcutta)
Advanced Management Program from Harvard Business School



Education

Has been a distinguished student with top academic results in his education. Was the X ranker in the State in X standard, IV Ranker in the University in Engineering and on the Honour Roll at IIM Calcutta (Top 5)

Was part of the first batch of the dedicated **Advanced Senior Leadership Program** conducted by **Oxford University** Said Business School for Grant Thornton International.

Areas of Focus

Over 30 years' experience in Consulting, Corporate Governance, Corporate Finance, Investment Banking and Strategy.

Sector experience

Has a wide range of experience in Private and Public Sectors covering a wide range of sectors including technology, real estate, hospitality, pharmaceuticals, engineering, petrochemicals etc.

Professional affiliations and memberships

Past President of Bangalore Chamber of Commerce and Industry, Founder Member and on the Board of Governors, of Center for Sustainable Development, Member Board of management Studies at T A Pai Management Institute (TAPMI), Director, Harvard Business School Alumni Association, Member iSPRIT Policy Team on Startup India engaged with RBI, SEBI MCA etc. Member of the Manufacturing Task Force of Govt of Karnataka in 2015. Presently part of the Working Group of Software Product Development Fund of Ministry of Electronics and Information Technology

Presentations and publications

Very active speaker and is widely quoted in the press and TV. Addressed several public forums and has written articles on management, policy and industry.

Previous work Experience

Worked with Grant Thornton India as Senior Partner and part of National Leadership Team for 14 years. Earlier to this he was with A F Ferguson & Co. and HSBC for 5 years each and other well-known private sector Companies. Currently he is Managing Partner at Ecube Investment Advisors.

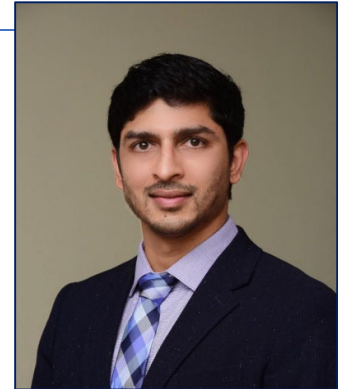
Profile of Mr. Akhilesh Rai

Masters in Business Administration

From London Business School, UK

Bachelors in Electrical Engineering (Minor in Economics)

From Purdue University, USA



Background at Suprajit (10 years):

Group CSO: Lead Negotiation of BBA, APA and executed smooth handover of Osram Chennai Assets including extraction of SAP and integration into Phoenix. Leading Project Catalyst at Wescon, reducing inventory significantly, increasing operational efficiency and improving long term EBITDA margins. Started Controls team for ensuring internal controls and best-in-class systems. Running initiatives for digitization and Suprajit Learning Center for online employee training and skills management. Developing operational excellence through training and Leading Chairman's Club, a select group of 100 high performers, through training initiatives, personal performance reviews and supporting accelerated growth where necessary.

Head IT: Implemented Oracle's Material Resource Planning (MRP) module. Worked with board on acquisition integration, target diligences, financial audit requirements and technology strategy. Lead branding for Annual reports, market campaigns, TV & social media, Websites, etc. Pioneered use of Electronic Document Interchange (EDI). Coordinated multi-geography teams to sync customer ERPs across 25+ plants of BMW, VW, Nissan, ISRI, HBPO. Migrated UK plant to Oracle ERP. Established ERP back-office for Europe operation. Led HR team in implementation of multi-location HR, Payroll & Attendance System, resulting in 80% reduction in payroll processing time. Setup Disaster Recovery Systems and virtualized servers on AWS

Background Outside Suprajit (3 years):

Grant Thornton: Supported Sell side teams on acquisition projects

Kushers: Built global platform for design and distribution of extremely custom gifts

Yagna: Developed network architecture automation solutions for Cisco Products

Varaha: Designed and developed mobile management system for mobile devices