Suprajit Engineering Limited

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Bengaluru - 560 099. Tel: +91-80-43421100, Fax: +91-80-27833279
E-mail: info@suprajit.com Web : http://www.suprajit.com
Corporate Identity Number (CIN) : L29199KA1985PLC006934

QUALITY SYSTEM CERTIFICATION DNV·GL IATF 16949

September 08, 2021

Ref: 532509
BSE Limited
Department of Corporate Services
P. J. Towers, 25th Floor,
Dalal Street, Mumbai- 400 001

Ref: SUPRAJIT
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051

Dear Sirs,

Sub: Chairman's Speech – 36th Annual General Meeting

We are enclosing herewith Chairman's Speech at the 36th Annual General Meeting of the Company held on Friday, September 03, 2021.

Please take the same on your records.

Thanking you,

Yours faithfully,
For Suprajit Engineering Limited

Medappa Gowda J
CFO & Company Secretary

Suprajit Engineering Limited Bengaluru

Encl: as above

CHAIRMAN'S SPEECH

Ladies and Gentlemen,

Good afternoon to you all.

It is a privilege for me to welcome you all and address you at this Thirty Sixth Annual General Meeting of Your Company, through a virtual meeting.

The Directors' Report and Audited Accounts of your Company for the year ended 31st March 2021 have been with you for a while and I am sure you had the opportunity of peruse the same.

Year 2020-21 was a Year of Covid. The pandemic that hit India in Q4 of 2019-20, led to a severe lockdown in Q1 of 2020-21, causing major disruption. This had a significant impact on our Q1 results. However, with gradual lifting of lockdowns post Q1 and surge in pent up demand led to a decent recovery in the following quarters.

The consolidated operational revenue of your Company grew from Rs.1,563 crores for the year 2019-20 to Rs.1,641 crores for the year 2020-21, recording a growth of 5% against the industry's negative growth of 13.5%. The Consolidated Profit Before Tax grew from Rs. 133 crores for the year 2019-20 to Rs. 194 crores for the year 2020-21, recording a growth of 46.3%.

Your Company has been paying dividend without any break for more than 30 years. For the year gone by, an interim dividend of Re. 0.75 (75%) per share was paid in March. A final dividend of Re. 1.00 (100%) has been recommended by the Directors. These need to be approved by you.

I am happy to inform that the buyback of 15,00,000 shares at Rs. 320/-, tax-free in the hands of shareholders, was a great success with a huge oversubscription.

The year gone by posed multiple operational challenges. However, some of the significant events across the group were:

- The Domestic Cable Division (DCD) further consolidated its position as the leader, both in OE and aftermarket, in India. Aftermarket had a solid year.

- Phoenix Lamps Division (PLD) further integrated the India Halogen Assets, bought from Osram at Chennai successfully, to de-risk its footprints geographically. PLD delivered on its long-term buy-back agreement with Osram consistently. Aftermarket business was very strong. Trifa and Luxlite continue to pose certain business challenges despite consolidating their businesses.

- At Wescon, we regrouped and refocused the Company with organizational changes to focus on growth and profitability, with clear plans to energize the SENA strategy. This met with reasonable success. Jim Ryan, who joined as global President will further add to our SENA and Automotive strategy, apart from working on certain inorganic opportunities.

- Suprajit Europe (SEU) and warehouse at Koper, Slovenia is operating smoothly. The capacity at Suprajit Automotive Limited's new plant at Doddaballapura has been put to good use due to increased customer demands.

- An additional Capex to increase infrastructure at Narsapura is in progress.

- Capex to enhance quality of product at PLD is also underway, for one major assembly line.

- The Group's cable capacity at 300 mn cable / year and lamps capacity at 110 mn / year, are amongst the top capacities in the world.

Current year:

The current year should be seen as a year of the Covid vaccines. With multiple vaccines launched worldwide, the fight against the pandemic has got a big boost. Priority was to get as many to get vaccinated as quickly as possible. I am happy to inform >90% are vaccinated in Suprajit.

The second wave hit India badly, leading to localized shutdowns. Second and third waves also hit across the world. Added to this, IC shortages led to major customers declaring plant wide temporary shutdowns. Further, commodity price increases, availability and cost of containers, port congestion, etc., added to the cost of doing business. This had certain impact on Q1 results. Q1 performance is quite satisfactory, despite these above factors.

Resurgence of Covid through additional waves is a concern. IC shortages, commodity prices, port congestion, container availability, etc., are added challenges. Your Company's continued focus on "Derisk and grow profitably" along with customer focus, employee involvement, efficient operations, etc., I am confident, will limit Covid impact. I am also confident that Team Suprajit will continue to deliver strong performance ahead of Industry norms. As we continue to be the market leaders in our core businesses, we look for opportunities to grow inorganically as well.

I am happy to inform that Suprajit Technology Centre (STC) is now relocated to a much larger independent facility. This will help STC to enhance its team and facility to bring new proprietary products out in a commercially viable fashion and make Suprajit future ready and continue to grow profitably.

I am happy to inform you, The Company and Suprajit Foundation have initiated many projects on Covid-19 related relief for the needy. This includes supporting monthly operating expenditure of three Covid Care Centers in Bommasandra, donation to setup a Pediatric Covid Care Centre in Attibele, providing Oxygen concentrators, PPE kits, dry rations, etc., to Covid-19 Care Centers, Primary Health Centres and needy population, in addition to the donations to the related activities.

Our consistent performance would not have been possible without the wonderful teamwork across the entire Suprajit group. I would like to specially thank Team Suprajit for continuing our journey of profitable growth in these trying times.

I wish to thank my colleagues on the Board, customers, suppliers, Bankers and all stakeholders for their continued support during the year.

Finally I thank all of you, for your continued support and confidence and sparing your valuable time to be here with us, today.

I will now start the items on the agenda with your permission.

K. Ajith Kumar Rai
Chairman

Place: Bangalore
Date: September 03, 2021