



Sundram Fasteners Limited

Registered & Corporate Office,
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PRESS RELEASE

Sundram Fasteners Limited recorded total sales and other income of Rs. 1265.63 crores for the year ended March 31, 2009 as against Rs. 1207.76 crores achieved during the previous year, an increase of 4.79%.

In a difficult year, Gross Profit before interest, depreciation and provision for taxation was at Rs. 163.78 crores compared to Rs. 150.58 crores in the previous year, an increase of 8.78%.

Domestic sales, net of excise duties, was at Rs. 833.07 crores as against Rs. 864.00 crores due to decline in demand. Exports sales was higher at Rs.429.13 crores as against Rs.341.92 crores in the previous year.

Operating expenses were at Rs.1101.85 crores compared to Rs. 1057.18 crores during the previous year. Higher Cost of raw materials, manufacturing inputs and additional usage of captive power made in roads into the operating margins.

Repeated hikes in interest rates and increased working capital requirements resulted in higher interest charges at Rs.38.50 crores as against Rs.27.02 crores in the previous year. Foreign exchange fluctuations resulted in a loss of Rs.60.70 crores as against a gain of Rs.13.15 crores in the previous year.

As a matter of prudent policy, the Company has decided not to exercise the option provided under Accounting Standard AS-11 as amended by Company(Accounting Standards) Amendment Rules 2009 and has decided to follow consistently its past practice of recognising exchange variations in profit and loss account.

Depreciation for the year was Rs. 42.23 crores (Rs. 34.23 crores). The provision for taxes, inclusive of Fringe Benefit Tax deferred taxes and tax relating to earlier years was at Rs. 4.94 crores (Rs. 34.99 crores). The net profit was at Rs. 17.41 crores (Rs. 69.48 crores).

The Directors have decided to pay an Interim Dividend of Re. 0.50 per share (face value Re 1 each). The interim dividend will absorb a total amount of Rs. 1050.64 lakhs. The directors have not recommended any final dividend. A sum of Rs 2 crores has been transferred to the General Reserve.

All the subsidiaries showed improved performance. Sales and other income of subsidiaries improved to Rs.576.15 crores from Rs. 454.12 crores. The subsidiaries made a cash profit of Rs. 38.04 crores as

against Rs.17.08 crores during the previous financial year. Profit after tax amounted to Rs. 18.62 crores as against Rs.5.54 crores in the earlier year.

The consolidated sales of the Company and its subsidiaries after adjusting inter company transactions increased to Rs.1797.24 crores from Rs.1626.26 crores. Profit after tax amounted to Rs.34.32 crores as against Rs.71.08 crores in the previous year.

The Company wishes to state that the sales to General Motors (GM) does not constitute a sizable portion of its overall business and hence GM's petition seeking court protection under bankruptcy proceedings will not affect the Company's performance.
