



Sundram Fasteners Limited

Registered and Corporate Office:

98-A, Dr Radhakrishnan Salai, Mylapore, Chennai 600 004

PRESS RELEASE

Sundram Fasteners Limited recorded total sales and other income of Rs. 1201.13 crores for the year ended March 31, 2007 as against Rs. 1063.35 crores achieved during the previous year.

Export sales during the year were higher at Rs. 358.25 crores compared to Rs. 323.33 crores in the previous year, an increase of 11%. Domestic sales, net of excise duties, increased to Rs. 841.19 crores as against Rs. 738.66 crores in the previous year.

Operating expenses were at Rs.1029.35 crores compared to Rs. 910.23 crores during the previous year. Higher Cost of raw materials and other inputs and strengthening of Rupee made in roads into the operating margins.

Operating expenses includes provision made during the quarter ended 31st March 2007 amounting to Rs.6.05 crores towards employees payments in line with the requirement of revised Accounting Standard – AS 15 resulting in lower profits for the year.

Gross Profit before interest, depreciation, extra-ordinary items and provision for taxation increased by 12% to Rs. 171.78 crores during the year as against Rs. 153.12 crores in the previous year, an increase of Rs. 18.66 crores.

Repeated hikes in interest rates, increased working capital requirements on account of higher sales and investments in new projects resulted in higher interest charges at Rs. 24.46 crores as against Rs. 17.01 crores in the previous year. Foreign exchange fluctuations resulted in a loss of Rs. 1.78 crores as against a loss of Rs. 12.58 crores in the previous year.

Depreciation for the year was Rs. 30.12 crores (Rs. 27.39 crores). The provision for taxes, inclusive of Fringe Benefit Tax and deferred taxes, was at Rs. 40.08 crores (Rs. 33.91 crores).

The net profit before extra-ordinary items was higher at Rs. 75.34 crores. Provision has been made for Rs. 3.48 crores towards diminutions in the value of investments and losses of a subsidiary. Net profit after provision was 71.86 crores as against Rs. 62.24 crores for the previous year.

Earning per share for the year amounted to Rs. 3.42 (on face value of Re 1 per share) as against Rs. 2.96 for the previous year.

The Company paid first interim dividend of Rs.0.85 per share (of face value Re 1 each), prior to issue of bonus shares in the ratio of 1:1 and second interim dividend of 0.45 per share (of face value of Re 1 each), after bonus issue. The interim dividends absorbed Rs. 18.39 crores. The directors have not recommended any final dividend.

A sum of Rs 55 crores has been transferred to the General Reserve.