



**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. 291.28 crores for the quarter ended June 30, 2006 as against Rs. 252.39 crores achieved during the same period in the previous year.

The higher volume of sales, both domestic and exports, resulted in improved operating profits. Gross Profit before interest, depreciation and provision for taxation increased by over 33% to Rs. 49.88 crores during the period (Rs. 37.37 crores), an increase of Rs. 12.51 crores.

Export sales for the period increased by 21% to Rs. 88.21 crores (Rs. 72.56 crores) and constituted over 30% of the total sales as against 29% in the previous year. Domestic sales, net of excise duties, increased to Rs. 203.07 crores (Rs. 179.83 crores).

Operating expenses were at Rs. 241.76 crores (Rs. 215.22 crores). Cost of raw materials and other inputs have continued to rise. Increase in freight rates has resulted in higher delivery costs.

Repeated hikes in interest rates and increased borrowings resulted in Interest charges being higher at Rs. 6.23 crores (Rs. 3.53 crores). Foreign exchange fluctuations resulted in a loss of Rs. 9.80 crores (Rs. 0.23 crore).

Depreciation for the quarter was Rs. 7.26 crores (Rs. 6.50 crores). The provision for taxes, inclusive of Fringe Benefit Tax and deferred taxes, was at Rs. 8.57 crores (Rs. 9.77 crores).

The net profit after tax was marginally higher at Rs. 18.02 crores (Rs. 17.34 crores). Earning per share (on face value of Re 1 per share) for the quarter amounted to Rs. 1.71 (Rs. 1.65).

The Company is in the process of setting up a new unit at Pantnagar, Uttaranchal to cater to the requirements of new projects in that State besides meeting a part of the after-market demand in Northern India. The unit will manufacture high tensile fasteners, sintered metal parts, water pumps, oil pumps, belt tensioners and idlers.

The Company is also setting up an export-oriented project in Special Economic Zone at Mahindra Worldcity near Chennai for manufacture of hubs and shafts used in motor cars.

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