

Sundram Fasteners Limited

CIN : L35999TN1962PLC004943

Registered & Corporate Office : 98-A, VII Floor,
Dr Radhakrishnan Salai, Mylapore, Chennai - 600 004
Telephone: +91-44-28478500 Fax : +91-44-28478510
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STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

Particulars		Rs. in Crores		
		Quarter ended		Year ended
		30-06-2019	31-03-2019	30-06-2018
		Unaudited	Audited [#]	Unaudited ^S
1	Income			
	Revenue from operations			
	(A) Revenue	905.58	958.29	936.27
	(B) Other operating revenue (including income from export incentives)	39.77	45.96	32.24
	Total revenue from operations (A) + (B)	945.35	1,004.25	968.51
	Other income	1.09	5.14	15.35
	Total income	946.44	1,009.39	983.86
2	Expenses			
	Cost of materials consumed	403.37	427.46	417.59
	Changes in inventories of finished goods and work-in-progress	(23.87)	(12.50)	(17.35)
	Employee benefits expense	88.10	92.53	87.93
	Finance costs	9.60	7.97	12.72
	Depreciation and amortization expense	32.70	29.95	25.85
	Other expenses	301.99	320.12	303.02
	Total expenses	811.89	865.53	829.76
3	Profit before tax (1-2)	134.55	143.86	154.10
4	Tax expense			
	a) Current tax	32.71	31.94	41.88
	b) Deferred tax	8.73	4.57	5.57
	Total tax expense	41.44	36.51	47.45
5	Profit for the year (3-4)	93.11	107.35	106.65
6	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	(i) Re-measurement gains / (losses) on defined benefit plans	0.02	(0.13)	0.14
	(ii) Income tax effect on above	-	-	-
	(iii) Fair value gains / (losses) on equity instruments	1.69	(0.63)	0.64
	(iv) Income tax effect on above	(0.05)	0.73	(0.06)
	Total other comprehensive income	1.66	(0.03)	0.72
7	Total comprehensive income for the period (5+6)	94.77	107.32	107.37
8	Paid-up equity share capital (face value of Re 1 /- each fully paid up)	21.01	21.01	21.01
9	Earnings per share (EPS) (face value of Re 1 /- each)			
	(i) Basic (in Rs.) (not Annualised)	4.43	5.11	5.08
	(ii) Diluted (in Rs.) (not Annualised)	4.43	5.11	5.08

refer note 3 and 7

\$ refer note 7

* Annualised

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Notes:

- 1 The above standalone financial results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors in their respective meetings held on August 7, 2019. The Statutory Auditors have carried out a limited review for the quarter ended June 30, 2019 and have issued an unmodified report thereon.
- 2 The standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and SEBI Circular dated July 5, 2016.
- 3 The figures for the quarter ended March 31, 2019 represent the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures upto the end of the third quarter of the relevant financial year, which were subjected to limited review.
- 4 The Company is engaged in manufacture and sale of bolts and nuts, water and petrol pumps, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which largely have applications primarily in automobile industry and thus the Company has only one reportable segment.
- 5 **Standalone revenue from operations for the quarter ended June 30, 2019 includes exports of Rs. 348.28 crores (corresponding previous period - Rs. 321.71 crores). Other income for the quarter ended June 30, 2019 includes net foreign exchange gain of Rs. Nil (corresponding previous period net foreign exchange gain of Rs. 11.82 crores).**
- 6 The Company has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 using modified retrospective approach along with a transition option to recognise Right of use (ROU) asset at an amount equal to the lease liability. Accordingly, there is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019 or the results reported for the quarter ended March 31, 2019, quarter ended June 30, 2018 and year ended March 31, 2019. The Company has recognised Rs. 17.46 crores as ROU and corresponding lease liability for an equivalent amount on the date of transition. Further an amount of Rs. 34.92 crores towards prepaid operating lease rentals has been transferred from current/ non-current assets to ROU as on the date of transition. There is no material impact on profit after tax and earnings per share for the quarter ended June 30, 2019, on adoption of Ind AS 116.
- 7 The Scheme of Amalgamation of Sundram Precision Components Limited ('SPCL') (a wholly owned subsidiary), with the Company has been approved by the Chennai Bench of National Company Law Tribunal vide its order dated April 11, 2019, and on completion of the required formalities the Scheme has become effective. The merger has been accounted under the 'pooling of interests' method in accordance with Appendix C of Ind AS 103 'Business Combinations', and comparatives have been restated for merger from the beginning of the previous year i.e. April 1, 2018. Accordingly, results of SPCL have been included in all the periods of the standalone financial results presented. The difference between the investment in the financial statements of the Company in SPCL and the amount of paid-up share capital of SPCL has been adjusted against the reserves of the Company as on April 1, 2018.

Chennai
August 7, 2019

For Sundram Fasteners Limited

Chairman

Sundram Fasteners Limited

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STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

					Rs. in Crores			
					Quarter ended			Year ended
					30-06-2019	31-03-2019	30-06-2018	31-03-2019
					Unaudited	Unaudited#	Unaudited#	Audited
1	Income							
	Revenue from operations							
	(A) Revenue				1,136.28	1,091.89	1,065.10	4,396.06
	(B) Other operating revenue (including income from export incentives)				44.36	50.28	33.22	161.84
	Total revenue from operations (A) + (B)				1,180.64	1,142.17	1,098.32	4,557.90
	Other income				4.60	2.46	12.25	26.80
	Total income				1,185.24	1,144.63	1,110.57	4,584.70
2	Expenses							
	Cost of materials consumed				490.60	477.99	460.61	1,954.03
	Changes in inventories of finished goods and work-in-progress				(15.84)	(12.96)	(20.77)	(97.19)
	Employee benefits expense				136.44	118.52	113.57	459.32
	Finance costs				14.16	8.81	14.10	46.01
	Depreciation and amortization expense				43.62	36.00	29.46	128.77
	Other expenses				377.01	367.86	350.12	1,441.32
	Total expenses				1,045.99	996.22	947.09	3,932.26
3	Profit before tax (1-2)				139.25	148.41	163.48	652.44
4	Tax expense							
	a) Current tax				34.95	28.50	45.72	165.90
	b) Deferred tax				7.41	7.11	5.69	27.57
	Total tax expense				42.36	35.61	51.41	193.47
5	Profit for the year (3-4)				96.89	112.80	112.07	458.97
6	Other comprehensive income							
	Items that will not be reclassified to profit or loss							
	(i) Re-measurement gains / (losses) on defined benefit plans				0.02	(0.07)	0.14	0.18
	(ii) Income tax effect on above				-	0.04	-	0.04
	(iii) Fair value gains / (losses) on equity instruments				1.68	(0.69)	0.59	(2.95)
	(iv) Income tax effect on above				(0.05)	0.73	(0.06)	2.49
	Items that will be reclassified to profit or loss							
	(i) Exchange differences on translation of foreign operations				(1.47)	2.96	(0.10)	3.40
	(ii) Income tax effect on above				-	-	-	-
	Total other comprehensive income				0.18	2.97	0.57	3.16
7	Total comprehensive income for the period (5+6)				97.07	115.77	112.64	462.13
8	Net Profit / (loss) attributable to							
	a) Owners of the Company				95.52	112.75	111.58	457.49
	b) Non controlling interest				1.37	0.05	0.49	1.48
9	Total comprehensive income attributable to							
	a) Owners of the Company				95.70	115.68	112.15	460.61
	b) Non controlling interest				1.37	0.09	0.49	1.52
10	Paid-up equity share capital (face value of Re 1 /- each fully paid up)				21.01	21.01	21.01	21.01
11	Earnings per share (EPS) (face value of Re 1 /- each)							
	(i) Basic (in Rs.) (not Annualised)				4.55	5.37	5.31	21.77*
	(ii) Diluted (in Rs.) (not Annualised)				4.55	5.37	5.31	21.77*

refer note 7

* Annualised

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Notes:

- 1 The above consolidated financial results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors in their respective meetings held on August 7, 2019. The Statutory Auditors have carried out a limited review for the quarter ended June 30, 2019 and have issued an unmodified report thereon.
- 2 The consolidated financial results include the financial results of Sundram Fasteners Limited ('parent company') and the financial results of its subsidiaries and step down subsidiaries, TVS Upasana Limited, TVS Next Limited (formerly known as TVS Infotech Limited), Sundram Fasteners Investments Limited, Sundram Non-Conventional Energy Systems Limited, Sunfast TVS Limited, TVS Infotech Inc., USA, Cramlington Precision Forge Limited, UK, Sundram Fasteners (Zhejiang) Limited, Republic of China, Sundram International Inc., USA and Sundram International Limited, UK (together called as the "Group")
- 3 The consolidated financial results of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and SEBI Circular dated July 5, 2016.
- 4 Consolidated revenue from operations for the quarter ended June 30, 2019 includes exports of Rs. 430.09 crores (corresponding previous period - Rs. 368.98 crores). Other income for the quarter ended June 30, 2019 includes net foreign exchange gain of Rs. Nil (corresponding previous period: Rs. 11.89 crores).
- 5 The Group is engaged primarily in manufacture and sale of bolts and nuts, water and petrol pumps, sintered products, cold extruded components, hot and warm forged parts, radiator caps and other parts which largely have applications in automobile industry and thus the Group has only one reportable segment.
- 6 The Group has adopted Ind AS 116 on "Leases" with effect from April 1, 2019 using modified retrospective approach along with a transition option to recognise Right of use (ROU) asset at an amount equal to the lease liability. Accordingly, there is no impact of Ind AS 116 adoption to the retained earnings as at April 1, 2019 or the results reported for the quarter ended March 31, 2019, quarter ended June 30, 2018 and year ended March 31, 2019. The Group has recognised Rs. 37.23 crores as ROU and corresponding lease liability for an equivalent amount on the date of transition. Further an amount of Rs. 71.82 crores towards prepaid operating lease rentals has been transferred from current/ non-current assets to ROU as on the date of transition. There is no material impact on profit after tax and earnings per share for the quarter ended June 30, 2019, on adoption of Ind AS 116.
- 7 The consolidated figures for the corresponding quarter ended June 30, 2018 and quarter ended March 31, 2019, as reported in these financial results have been prepared by the parent company, but have not been subject to review since the requirement of submission of quarterly consolidated financial results has become mandatory only from April 1, 2019.
- 8 The three foreign subsidiaries of the Group have financial years ending on December 31, whereas the parent company along with its domestic subsidiaries have the year end of March 31. During the current quarter, such foreign subsidiaries have aligned their financial year end with that of the parent company for consolidation purposes, eliminating a 3 month time lag for incorporating the results of such foreign subsidiaries with the consolidated financial results of the Group. As a result of this change, the consolidated financial results for the quarter ended June 30, 2019 also includes financial results of such foreign subsidiaries for the period January 1, 2019 to March 31, 2019. This has resulted in increase in revenue from operations by Rs. 100.41 crores and reduction in profit after tax by Rs. 1.38 crores. For the corresponding quarter ended June 30, 2018 the consolidated financial results represents financial results of such foreign subsidiaries for the period January 1, 2018 to March 31, 2018.

Chennai
August 7, 2019

For Sundram Fasteners Limited

Chairman