



## Sundram Fasteners Limited

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June 29, 2022

### National Stock Exchange of India Limited (NSE)

By NEAPS

*Scrip Code - SUNDRMFAST*  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No.C/1, G Block  
Bandra Kurla Complex, Bandra (East)  
Mumbai – 400 051

### BSE Limited (BSE)

By Listing Centre

*Scrip Code - 500403*  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai – 400 001

Dear Sir / Madam,

### **Compliance under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Summary of proceedings of 59<sup>th</sup> Annual General Meeting held on June 29, 2022**

The 59<sup>th</sup> Annual General Meeting (AGM) of the Members of the Company was held *today* (**Wednesday, June 29, 2022**) at 10.00 a.m. through Video Conferencing and Other Audio Visual Means (VC / OAVM) and the businesses mentioned in the Notice dated April 22, 2022 convening the AGM were transacted.

We enclose herewith the summary of the proceedings and the speech delivered by the Chairman in the Annual General Meeting.

Please take the above information on record.

Thanking you,

Yours truly,  
For SUNDRAM FASTENERS LIMITED

**R Dilip Kumar**  
Executive Vice President – Finance & Company Secretary



## Annexure

### **Summary of proceedings of 59<sup>th</sup> Annual General Meeting held on June 29, 2022**

The 59<sup>th</sup> Annual General Meeting of the members of Sundram Fasteners Limited ("the Company") was held *today* (June 29, 2022) through Video Conferencing / Other Audio Visual Means (VC / OAVM) at 10.00 a.m. IST in accordance with the circulars dated May 5, 2022, read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, June 15, 2020, September 28, 2020, December 31, 2020, January 13, 2021, June 23, 2021 and December 14, 2021 issued by the Ministry of Corporate Affairs (MCA Circulars).

Sri Suresh Krishna, Chairman of the Board of Directors, occupied the Chair. The Chairman called the meeting to order as the requisite quorum was present.

The Chairman informed that the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee were present in the meeting through Video Conference / Other Audio Visual Means. The Chairman stated that the Statutory Auditor, Cost Auditor and Secretarial Auditor were present in the meeting through Video Conference / Other Audio Visual Means.

The Register of Members, Register of Directors and Key Managerial Personnel and their shareholdings in terms of Section 170 read with Section 171 of the Companies Act, 2013 and the Register of Contracts in terms of Section 189 of the Companies Act, 2013, the Register of Investments under Section 186 of the Companies Act, 2013, the Auditor's Report and the Secretarial Audit Report were made available for inspection by the shareholders till the conclusion of the meeting through a separate link provided by National Securities Depository Limited (NSDL).

With the permission of the Members present, the Notice to the Shareholders dated April 22, 2022 calling for the 59<sup>th</sup> Annual General Meeting was taken as read. The Chairman informed that the Independent Auditor's Report and Secretarial Auditor's Report were free from any qualifications. Accordingly, the Independent Auditor's Report, the Secretarial Auditor's Report and its annexure was also taken as read in terms of Section 145 of the Companies Act, 2013, as they were made available with the shareholders.

The Chairman highlighted various aspects of the operations of the Company, performance for the financial year 2021-2022, dividend paid and outlook for the future.

After conclusion of the speech, Chairman requested those shareholders who were registered to speak at the meeting to submit their queries. Clarification was provided to the members by the Chairman on the queries raised by the registered speaker shareholders.





The following business was transacted at the meeting:-

<b>Resolution No</b>	<b>Subject</b>
Ordinary Business (Ordinary Resolution)	
1	Adoption of Audited Financial Statement including the Consolidated Financial Statement, Report of the Board of Directors and Auditors for the financial year ended March 31, 2022.
2	Re-appointment of Ms Preethi Krishna (DIN: 02037253) as a Director, who retires by rotation.
3	Re-appointment of M/s. BSR & Co. LLP, Chartered Accountants, Chennai as Statutory Auditors of the Company and fixing their remuneration.
Special Business (Ordinary Resolution)	
4	Ratification of remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

The Chairman then offered to conduct the e-voting through the NSDL platform in order to provide an opportunity to those members who have not exercised their votes through remote e-voting. The e-voting was conducted for all the resolutions. The entire voting process including remote e-voting was scrutinized by the Scrutinizer Sri K Sriram, Practicing Company Secretary on all the resolutions.

The Chairman informed the members that the consolidated results of e-voting would be announced within 2 working days and will be intimated to the Stock Exchange and posted on the website of the Company and the NSDL.

With the vote of thanks by Sri B Muthuraman, Director and upon completion of the voting process, the meeting ended at 11:15 a.m. IST

Chairman thanked the shareholders and declared the meeting as concluded.

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## Sundram Fasteners Limited

### CHAIRMAN'S SPEECH 2022

#### 59<sup>th</sup> Annual General Meeting – June 29, 2022 (Wednesday)

The Company's financial and operational performance for the year 2021-22 were dealt with in the Company's Annual Report. I would like to restrict my speech only to certain important aspects of the Company's performance during the year 2021-22 and outlook for the future.

- The Revenue from stand-alone operations during the financial year 2021-22 was at ₹4,172.57 crores as against ₹3065.03 crores in the previous financial year 2020-21, an increase of 36%. The export sales were at ₹1,421.09 crores as against ₹1,009.71 crores in the previous financial year, an increase of 41%. The Company continues to post a robust growth in export sales. Profit before Tax was ₹555.96 crores as against ₹438.11 crores in the previous financial year, an increase of 27%. Profit after Tax was ₹407.46 crores as against ₹328.14 crores in the previous financial year, an increase of 24%.
- The Company has posted EBITDA % on revenue from operations at 18.0% despite facing pressures due to increase in commodity prices, as well as the costs of logistics and other inputs, which was mitigated through cost reduction measures and price support from the customers.
- The consolidated revenue from operations was at ₹4,902.06 crores during the financial year 2021-2022 as against ₹3,644.29 crores in the previous financial year, an increase of 35%. The consolidated net profit was at ₹461.83 crores for the financial year as against ₹362.71 crores in the previous year, an increase of 27%.
- During the year, the Company preferred an application towards setting up projects for manufacture of Advanced Automotive Technology (AAT) Components under the Production Linked Incentive (PLI) scheme of the Government of India. The Ministry of Heavy Industries has approved the Company's application. The Company has planned an investment of ₹350 Crores over a period of five years for manufacturing AAT components like powertrain sub-assemblies for Electric Vehicles (EV) and select Internal Combustion Engine (ICE) vehicles. The Company has secured firm orders from Global OEMs for supply of these components under their EV programs. The investments proposed to be made in this direction are expected to provide a major thrust to the Company's exports in the years to come.
- The Board had declared dividend amounting to ₹6.45 per Equity Share for the financial year 2021-22, as against ₹4.70 per Equity Share for the financial year 2020-21. The Dividend for the year at ₹6.45 per Equity Share is the highest payout in the history of the Company.



- Sundram Fasteners, over the years, has expanded its engineering capabilities and moved up in the value chain in manufacturing. Sundram Fasteners is now a broad-based engineering company capable of undertaking the manufacture of various components and assembly systems for automotive and other engineering applications in India and abroad.
- Considering the need for faster growth and to ensure consistent performance under economic cycles, the Company has been devising plans and broad-basing the product segments to increase its revenues, exports and profits.
- In this direction, I would like to highlight the specific achievements during FY 2021-22 and new initiatives proposed during FY 2022-23 across the Company.

#### **Fasteners Division**

The Company is the largest fasteners manufacturer in India with a market share of about 35% to 40%. The Company during the financial year 2021-22 has doubled its exports of assembly wheel nuts for the commercial vehicles in USA. There is a significant potential for growth in the wind energy business. To meet the surge in demand, the Company proposes to make additional investments of ₹300 Crores over the next two years. The Company has expanded its range in the wind segment fasteners and has also started exporting fasteners for the wind segment.

#### **Hot and Warm Forgings**

The forging factory is now exporting to the large EV manufacturers in the US. The Company has added new manufacturing lines, and customers in value added precision machined critical parts like connecting rods, wheel bearing parts. Further, a new state of the art machinery has been installed to cater to heavier and critical hot forged parts.

#### **Special Economic Zone**

The Company's Powertrain Components Division located in SEZ has won the "Supplier of the Year" Award and the "Certificate of Excellence – Platinum Supplier Status" Award from General Motors for the year 2021. The Company has been awarded contracts worth ₹150 crores for EV products.

The Company's Sricity Unit has commenced the supply of products for Hybrid / EV applications. Further, the Company also expects to sign contracts worth over ₹200 crores for new EV products.

#### **Radiator Caps Division**

The Radiator Cap Division has the unique distinction of exporting to 21 large EV manufacturers at the global level, which includes 11 large US based EV manufacturers.

#### **Autolec Division**

The Autolec Division has registered robust double digit growth and is entering into non-auto and off-road segments. The Division continues to maintain an even balance between Domestic and Export turnover.



### Defence sector

The Company is working with the defence establishments to be part of the Atma Nirbhar initiatives of the Government of India. The Company is in the process of getting customer validation for various parts. The Company proposes to manufacture and supply value added sub-assemblies. The Company is looking to invest over ₹100 crores in the next two years to grow this vertical significantly.

### Capital Expenditure

The Company incurred ₹146 Crores towards capital expenditure to augment capacities for meeting the increase in the volume of business in tandem with production plans of key customers.

### Future Outlook

After two years of sluggishness, India's automobile sector posted double-digit growth, supported by improving economic growth and personal incomes. During the financial year 2022-23, all segments in the automotive sector are expected to post a double-digit growth. Rupee depreciation is expected to provide further impetus to the growth in exports of the Company.

The roll-out of financial subsidies under the PLI Scheme augurs well for the automotive sector. The scheme proposes incentives to attract investments towards creation of large manufacturing capacities in the automotive manufacturing value chain.

Sri S Meenakshisundaram, Chief Financial Officer who has served the Company over four decades is due to retire on June 30, 2022. I wish to place on record on behalf of the Board our appreciation for the services rendered by him during his tenure in the Company.

I thank the customers, banks and shareholders for their continued support and wholehearted co-operation.

Further, I would like to take this opportunity to thank the employees and appreciate the support extended by them, especially during the difficult times that have enabled the Company to cope with the challenges effectively.

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