



Record of the proceedings of the meeting with the Investors / Analysts

Date of the meeting	Thursday, October 12, 2017	
Venue	Sundram Fasteners Limited Corporate Office at 98-A, III Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	
Management	Sri Suresh Krishna, Chairman and Managing Director Ms Arathi Krishna, Joint Managing Director Ms Arundathi Krishna, Deputy Managing Director Mr N Balakrishnan, President – Fasteners & Hot Forgings Mr S Meenakshisundaram, Chief Financial Officer Mr R Dilip Kumar, Vice President – Finance & Company Secretary	
Investors / Analysts	Investor / Institution	Representative Name
	Alchemy Capital	Mr Chandraprakash Padiyar
	Amansa Holdings	Mr Anshul Tosi
	ASK Investments	Mr Bhaskar Bukrediawala
		Mr Nikunj Gala
	Axis Mutual Fund	Mr Ashish Naik
	DSP Blackrock Mutual Fund	Mr Kaushal Maroo
	Govind Parikh Securities Private Limited	Mr Govindlal M Parikh
		Mr Chinmay Parikh
	Franklin Tempeton	Mr Hari Shyamsunder
		Ms Roshi Jain
		Mr Sandeep Manam
	Gee Cee Investments	Mr Sanket Baheti
	HDFC Life	Mr Nishit Dholakia
	ICICI Prudential Mutual Fund	Mr Prateek Podar
	Kotak Mutual Fund	Mr Arjun Khanna
	Max Life	Mr Kapil Agarwal
	Mirae Mutual Fund	Mr Ankit Jain
	Motilal Oswal Mutual Fund	Mr Pulkit Singhal
	Motilal Oswal Portfolio Management Services	Mr Kunal Jadhvani
		Mr Manish Sonthalia
	Ocean Dial	Mr Saurabh Chugh
	Reliance Life	Mr Siddharth Vora
	Reliance Mutual Fund	Mr Samir Rachh
	SBI Life	Mr Vineet Lakhotia
	SBI Mutual Fund	Ms Tanmaya Desai
	Spark Capital	Mr Harikesh V
		Mr Mukesh S
		Mr R Krishnan Seshan
		Mr Rajesh Parikh
		Mr Sandeep E
	Sundaram Mutual Fund	Mr Krishnakumar S
		Mr Srinath Krishnan
Tattva Capital	Ms Lakshmi Narasimhan	
	Mr Sathish Ramanathan	
UTI Mutual Fund	Ms Preethi RS	
ValueQuest Capital	Mr Chetan Vora	
White Oak	Mr Manoj Garg	

The meeting commenced at 9.30 a.m. and ended at 11.00 a.m.

The Chairman and Managing Director welcomed the investors / analysts.



The Chairman and Managing Director gave a broad outlook on the business and also the performance of the Company. He cited that the export sales of the Company have crossed Rs 1,000 Crores during the year 2016-17 and the Company will continue to register healthy growth in exports, despite a strong rupee factor having a bearing on export realisation. He then highlighted about the product portfolio and mentioned that from being a fasteners company, Sundram Fasteners has now become with a diversified product portfolio which includes, high tensile fasteners, radiator caps, powder metal parts, cold extruded parts, hot forged parts, pumps & assemblies. The outlook of auto industry appears bright and auto industry has potential for high level of growth.

The investors' / analysts' queries revolved around the current and future scenario of the industry, electric vehicle segment, opportunities in aerospace and defence sector, product lines, pricing strategy, business risks and expansion plans of the company.

Having regard to the queries raised, the management responded as follows.

The Chairman and Managing Director mentioned that the Company has been focussing a lot on value added products and in recent years, the value added parts have contributed significantly to revenues and profits. The Company, over the years has built capacities, which enable the Company to service the requirements of the customers. He briefed that the company by its continuous engagement with its customers explores opportunities for the creation of new product verticals and value added products and technology. He mentioned that the Radiator Caps Assembly Division has achieved a milestone of Rs 1000 crores sales in a span of 25 years and has time and again been the recipient of best supplier award.

Responding to the queries on business risk emanating out of Electric Vehicles, the Chairman and Managing Director expressed his view that one has to take into account the 'Total Cost of Ownership' i.e. buying a vehicle with an Internal Combustion Engine (ICE) vis-a-vis an Electric Vehicle (EV), as a significant factor for customers to go in for EV in preference to vehicle with ICE. He said the host of other related factors have to be considered, such as surrounding ecosystems for ICE, cost of fuel in the international market and leverage the oil producing countries have for lowering the cost of fuel, could thwart a disruptive change towards EVs given the enormous impact it would have on the entire automotive industry and also other dependant industries. The Company had also developed certain components for EV segment. The anticipated migration towards EVs could be evolutionary. However, he said that in China there could be a significant penetration of EVs by the year 2025.

The Chairman and Managing Director underscored that the Company is not just a leader but also a pioneer in the auto component industry in which it operates and the TVS brand pull provides good leverage with the customers. He informed that the Company's ability to make investments is not under any strain and will make investments in sectors, which afford opportunities.

The Joint Managing Director highlighted that due to the continuous practice over the years, the Company has a strong TPM process and also informed that the implementation of TQM practices is progressing well across major divisions, which could enhance the all-round efficiency in operations.

As regards operations in China, the Chairman and Managing Director informed that the Company is scaling up the operations through backward integration. He said that now supplies are being made to the local



Sundram Fasteners Limited

Chinese companies in addition to existing US customers operating in China. The Deputy Managing Director mentioned that the Company has been receiving more number of orders from China and sounded positive on the emerging opportunities. She also highlighted that the Company has cordial relations and support from local Government authorities.

The meeting ended with the Chairman and Managing Director expressing his thanks to the investors for attending the meeting. The Investors also thanked that management for having given an opportunity to meet the management.
