

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

Email:investorshelpdesk@sfl.co.in | Website: www.sundram.com

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

Particulars		Quarter ended			Half year ended		Rs. in Crores
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations						
	(A) Revenue	744.25	267.88	741.03	1,012.13	1,646.61	3,018.50
	(B) Other operating revenue (including income from export incentives)	22.60	8.85	25.79	31.45	65.56	106.07
	Total revenue from operations (A) + (B)	766.85	276.73	766.82	1,043.58	1,712.17	3,124.57
	Other income	6.51	7.64	7.36	14.15	8.45	20.44
	Total income	773.36	284.37	774.18	1,057.73	1,720.62	3,145.01
2	Expenses						
	Cost of materials consumed	309.70	83.15	271.10	392.85	674.47	1,244.79
	Changes in inventories of finished goods and work-in-progress	(6.42)	35.15	61.32	28.73	37.45	49.88
	Employee benefits expense	61.63	58.20	77.18	119.83	165.28	302.47
	Finance costs	0.06	7.91	14.04	7.97	23.64	43.86
	Depreciation and amortization expense	36.81	36.48	33.81	73.29	66.51	136.51
	Other expenses	240.93	94.88	219.23	335.81	521.22	979.80
	Total expenses	642.71	315.77	676.68	958.48	1,488.57	2,757.31
3	Profit / (loss) before exceptional items and tax (1-2)	130.65	(31.40)	97.50	99.25	232.05	387.70
4	Exceptional item (refer note 9)	-	-	-	-	-	11.30
5	Profit / (loss) before tax (3-4)	130.65	(31.40)	97.50	99.25	232.05	376.40
6	Tax expense						
	a) Current tax	28.98	(6.05)	19.64	22.93	52.35	93.96
	b) Deferred tax	4.31	(1.87)	6.79	2.44	15.52	(31.60)
	Total tax expense	33.29	(7.92)	26.43	25.37	67.87	62.36
7	Profit / (loss) for the year (5-6)	97.36	(23.48)	71.07	73.88	164.18	314.04
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	(i) Re-measurement gains / (losses) on defined benefit plans	0.21	(0.75)	(4.31)	(0.54)	(4.29)	(1.23)
	(ii) Fair value gains / (losses) on equity instruments	5.58	1.01	(13.78)	6.59	(12.09)	(28.04)
	(iii) Income tax effect on above	(0.91)	0.19	2.82	(0.72)	2.77	5.87
	Total other comprehensive income / (loss)	4.88	0.45	(15.27)	5.33	(13.61)	(23.40)
9	Total comprehensive income / (loss) for the period (7+8)	102.24	(23.03)	55.80	79.21	150.57	290.64
10	Paid-up equity share capital (face value of Re 1 /- each fully paid up)	21.01	21.01	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)	4.64	(1.12)	3.38	3.52	7.81	14.95*
	(ii) Diluted (in Rs.) (not Annualised)	4.64	(1.12)	3.38	3.52	7.81	14.95*

* Annualised

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Notes:

1 Statement of assets and liabilities

Particulars	Rs. in Crores	
	As at 30-09-2020	As at 31-03-2020
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	1,488.88	1,515.32
Capital work-in-progress	128.85	87.38
Investment property	0.40	0.41
Right of use assets	49.12	51.26
Intangible assets	3.41	3.78
Financial assets		
- Investments	317.71	310.19
- Loans	7.22	7.40
- Other financial assets	29.37	32.19
Other tax assets, net	52.57	30.64
Other non-current assets	48.12	70.75
	2,125.65	2,109.32
Current assets		
Inventories	458.88	492.92
Financial assets		
- Investments	24.82	-
- Trade receivables	551.20	539.64
- Cash and cash equivalents	66.14	11.96
- Bank balances other than those mentioned in cash and cash equivalents	4.06	4.45
- Loans	5.83	6.09
- Other financial assets	3.98	4.44
Other current assets	49.39	62.70
	1,164.30	1,122.20
Total assets	3,289.95	3,231.52
EQUITY AND LIABILITIES		
Equity		
Equity share capital	21.01	21.01
Other equity	2,075.14	1,995.93
Total equity	2,096.15	2,016.94
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	184.45	226.17
- Lease liabilities	7.41	8.86
Provisions	7.95	6.92
Deferred tax liabilities, net	109.76	106.60
Other tax liabilities, net	7.36	7.88
	316.93	356.43
Current liabilities		
Financial liabilities		
- Borrowings	362.77	466.58
- Lease liabilities	3.59	4.55
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	24.38	18.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	318.41	277.64
- Other financial liabilities	112.94	63.86
Other current liabilities	15.31	6.27
Provisions	19.87	21.10
Other tax liabilities, net	19.60	-
	876.87	858.15
Total liabilities	1,193.80	1,214.58
Total equity and liabilities	3,289.95	3,231.52

Notes:

2 Statement of cash flows

Rs. in Crores

Particulars	Half Year ended		Year ended
	30-09-2020	30-09-2019	31-03-2020
	Unaudited	Unaudited	Audited
A. Cash flows from operating activities			
Profit before tax	99.25	232.05	376.40
Adjustments for:			
Depreciation and amortization expense	70.65	63.82	131.08
Amortization of right of use assets	2.64	2.69	5.43
Provision for diminution in value of investments	-	-	12.49
Unrealised foreign exchange loss/(gain), net	0.85	(1.49)	(2.68)
Mark to market (gain)/loss on derivative instruments	(0.96)	-	6.21
Finance costs	7.97	23.64	43.86
Interest income	(3.84)	(0.43)	(3.05)
Dividend income	(0.69)	(2.70)	(3.22)
(Profit)/loss on sale of property, plant and equipment, net	(0.33)	0.43	0.57
Financial guarantee income	(0.56)	(0.47)	(0.97)
Loss allowance on trade receivables	-	-	2.86
Gain on sale of investment in mutual funds	(0.33)	(0.17)	(0.81)
	174.65	317.37	568.17
Adjustments for changes in working capital:			
Decrease in inventories	34.04	25.41	67.51
(Increase)/decrease in financial assets	(10.12)	140.69	222.68
Decrease in other assets	13.33	13.76	51.32
Increase/(decrease) in financial liabilities	62.39	(161.15)	(144.56)
Increase/(decrease) in other liabilities and provisions	8.30	1.98	(1.34)
Cash generated from operating activities	282.59	338.06	763.78
Income taxes paid, net	(25.78)	(34.64)	(103.60)
Net cash from operating activities	256.81	303.42	660.18
B. Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(62.52)	(198.86)	(306.11)
Purchase of right of use assets	(0.50)	(1.00)	(4.31)
Proceeds from sale of property, plant and equipment	0.35	0.38	0.76
Acquisition of investments	(88.30)	(361.10)	(1,192.96)
Proceeds from sale of investments	63.57	356.42	1,192.75
Dividend received	0.69	2.70	3.22
Interest received	3.81	0.27	2.76
Net cash used in investing activities	(82.90)	(201.19)	(303.89)
C. Cash flows from financing activities			
Repayment of short - term borrowings, net	(103.81)	(2.85)	(126.91)
Repayment of lease liabilities	(3.01)	(2.81)	(5.62)
Dividend paid (including dividend distribution tax)	-	(77.48)	(182.13)
Interest paid	(12.91)	(19.90)	(37.32)
Net cash used in financing activities	(119.73)	(103.04)	(351.98)
D. Net cash flows during the year (A + B + C)	54.18	(0.81)	4.31
E. Cash and cash equivalents at the beginning	11.96	7.65	7.65
F. Cash and cash equivalents at the end (D + E)	66.14	6.84	11.96

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Notes:

- 3 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 November 03, 2020 and November 04, 2020 respectively. The Statutory Auditors have carried out a limited review for the quarter and half year ended September 30, 2020 and have issued an unmodified report thereon.
- 4 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.
- 5 The Company is engaged in manufacture and sale of bolts and nuts, water and oil 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.
- 6 **Standalone revenue from operations for the half year ended September 30, 2020 includes exports of Rs. 395.30 crores (corresponding previous period - Rs. 639.16 crores). Other income for the half year ended September 30, 2020 includes net foreign exchange gain of Rs. 6.02 crores (corresponding previous period - Rs. 3.47 crores). Finance cost for the quarter and six months ended September 2020 includes exchange gain of Rs. 5.40 crores (corresponding previous period exchange loss of Rs. 5.40 crores) and exchange gain of Rs. 4.83 crores (corresponding previous period exchange loss of Rs. 5.16 crores) respectively.**
- 7 The Board at its meeting held today, declared an interim dividend of Rs. 1.30 per share (130 %) for the financial year 2020-21 and the same will be paid to the members/beneficial owners, whose name appear in the register of members / register of beneficial owners maintained by the Depositories as on the record date i.e. November 14, 2020.
- 8 Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 01, 2019, domestic companies have the option to apply a lower income tax rate with effect from April 01, 2019 subject to certain conditions specified therein. The Company had exercised the above option during the year ended March 31, 2020 and had recognized provision for income tax and re-measured its deferred tax liability for the year ended March 31,2020 based on the lower income tax rate.
- 9 Exceptional item amounting to Rs. 11.30 crores in standalone financial results for the quarter and year ended March 31, 2020 represents provision recorded for impairment in respect of investments in certain overseas subsidiary, triggered by the changes in the business environment including the impact of the global COVID-19 pandemic.
- 10 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the standalone financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the necessary impact has been given in the preparation of these standalone financial results. The Company will continue to closely monitor any material changes to future economic conditions.

Chennai
November 04, 2020

For Sundram Fasteners Limited

**SURESH
KRISHNA**

Digitally signed by SURESH KRISHNA
DN: cn=Suresh, postalCode=600086, st=TAMIL NADU,
serialNumber=27291a80be1ecda7240
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Date: 2020.11.04 10:48:00 +05'30'

Chairman

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020

Particulars		Quarter ended			Half year ended		Rs. in Crores
		30-09-2020	30-06-2020	30-09-2019	30-09-2020	30-09-2019	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited [#]	Audited [#]
1	Income						
	Revenue from operations						
	(A) Revenue	863.51	362.76	861.11	1,226.27	1,997.39	3,605.21
	(B) Other operating revenue (including income from export incentives)	25.82	10.41	28.07	36.23	72.43	118.02
	Total revenue from operations (A) + (B)	889.33	373.17	889.18	1,262.50	2,069.82	3,723.23
	Other income	7.71	8.63	5.88	16.34	10.48	28.09
	Total income	897.04	381.80	895.06	1,278.84	2,080.30	3,751.32
2	Expenses						
	Cost of materials consumed	351.86	117.59	314.80	469.45	805.40	1,468.53
	Changes in inventories of finished goods and work-in-progress	(10.39)	37.80	63.04	27.41	47.20	57.03
	Employee benefits expense	88.67	84.25	105.08	172.92	241.52	434.91
	Finance costs	2.60	11.42	17.00	14.02	31.16	57.90
	Depreciation and amortization expense	44.88	44.30	40.91	89.18	84.53	169.92
	Other expenses	280.63	118.39	255.31	399.02	632.32	1,169.86
	Total expenses	758.25	413.75	796.14	1,172.00	1,842.13	3,358.15
3	Profit / (loss) before tax (1-2)	138.79	(31.95)	98.92	106.84	238.17	393.17
4	Tax expense						
	a) Current tax	31.05	(3.85)	20.61	27.20	55.56	98.45
	b) Deferred tax	4.10	(2.67)	6.98	1.43	14.39	(31.81)
	Total tax expense	35.15	(6.52)	27.59	28.63	69.95	66.64
5	Profit / (loss) for the year (3-4)	103.64	(25.43)	71.33	78.21	168.22	326.53
6	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	(i) Re-measurement (losses) / gains on defined benefit plans	0.21	(0.75)	(4.31)	(0.54)	(4.29)	(1.69)
	(ii) Fair value gains / (losses) on equity instruments	5.63	1.11	(13.87)	6.74	(12.19)	(28.31)
	(iii) Income tax effect on above	(0.91)	0.19	2.82	(0.72)	2.77	5.99
	Items that will be reclassified to profit or loss						
	(i) Exchange differences on translation of foreign operations	(2.47)	2.73	(1.95)	0.26	(3.42)	7.34
	(ii) Income tax effect on above	-	-	-	-	-	-
	Total other comprehensive income	2.46	3.28	(17.31)	5.74	(17.13)	(16.67)
7	Total comprehensive income / (loss) for the period (5+6)	106.10	(22.15)	54.02	83.95	151.09	309.86
8	Net (loss) / profit attributable to						
	a) Owners of the Company	102.42	(26.70)	70.58	75.72	166.10	324.89
	b) Non controlling interest	1.22	1.27	0.75	2.49	2.12	1.64
9	Total comprehensive income / (loss) attributable to						
	a) Owners of the Company	104.88	(23.42)	53.26	81.46	148.96	308.19
	b) Non controlling interest	1.22	1.27	0.76	2.49	2.13	1.67
10	Paid-up equity share capital (face value of Re 1 /- each fully paid up)	21.01	21.01	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)	4.87	(1.27)	3.36	3.60	7.90	15.46*
	(ii) Diluted (in Rs.) (not Annualised)	4.87	(1.27)	3.36	3.60	7.90	15.46*

refer note 10

* Annualised

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Notes:

1 Statement of assets and liabilities

Rs. in Crores

Particulars	As at	As at
	30-09-2020	31-03-2020
	Unaudited	Audited
ASSETS		
Non-current assets		
Property, plant and equipment	1,762.79	1,787.88
Capital work-in-progress	138.23	94.78
Investment property	8.19	8.27
Right of use assets	102.57	105.88
Goodwill	3.34	3.34
Intangible assets	3.79	4.15
Financial assets		
- Investments	42.60	35.93
- Loans	1.34	1.63
- Other financial assets	34.06	36.66
Deferred tax assets, net	1.99	1.43
Other tax assets, net	55.08	36.55
Other non-current assets	67.94	78.35
	2,221.92	2,194.85
Current assets		
Inventories	535.75	569.62
Financial assets		
- Investments	26.84	1.92
- Trade receivables	666.77	651.03
- Cash and cash equivalents	86.82	40.90
- Bank balances other than those mentioned in cash and cash equivalents	5.23	5.59
- Loans	0.17	0.44
- Other financial assets	9.11	11.99
Other tax assets, net	5.15	5.28
Other current assets	53.49	68.39
	1,389.33	1,355.16
Total assets	3,611.25	3,550.01
EQUITY AND LIABILITIES		
Equity		
Equity share capital	21.01	21.01
Other equity	2,056.37	1,974.91
Total equity attributable to owners of the Company	2,077.38	1,995.92
Non controlling interest	10.44	8.39
Total equity	2,087.82	2,004.31
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	250.00	325.03
- Lease liabilities	23.51	25.62
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.85	0.70
Other financial liabilities	0.49	0.45
Provisions	11.84	10.58
Deferred tax liabilities, net	115.84	113.32
Other tax liabilities, net	7.36	7.88
	409.89	483.58
Current liabilities		
Financial liabilities		
- Borrowings	438.10	519.39
- Lease liabilities	5.04	5.99
- Trade payables		
Total outstanding dues of micro enterprises and small enterprises; and	26.00	19.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	411.40	365.62
- Other financial liabilities	168.49	117.13
Other current liabilities	19.49	8.96
Provisions	20.80	21.71
Other tax liabilities, net	24.22	3.86
	1,113.54	1,062.12
Total liabilities	1,523.43	1,545.70
Total equity and liabilities	3,611.25	3,550.01

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2 Statement of cash flows

Rs. in Crores

Particulars	Half Year ended		Year ended
	30-09-2020	30-09-2019	31-03-2020
	Unaudited	Unaudited	Audited
A. Cash flows from operating activities			
Profit before tax	106.84	238.17	393.17
Adjustments for:			
Depreciation and amortization expense	85.16	80.73	161.89
Amortization of right of use assets	4.02	3.80	8.03
Unrealised foreign exchange loss / (gain), net	0.85	(1.70)	(3.90)
Provision for diminution in investments	-	-	1.19
Mark to market (gain) / loss on derivative instruments	(0.96)	-	6.21
Finance costs	14.02	31.16	57.90
Interest income	(3.80)	(0.46)	(3.26)
Dividend income	(0.18)	(0.39)	(0.66)
(Profit) / Loss on sale of property, plant and equipment	(0.33)	0.35	0.77
Financial guarantee (income) / expense	-	-	-
Gain on sale of investments in mutual funds	(0.33)	(0.17)	(0.81)
Fair value (gain) / loss on financial instruments at fair value through profit or loss	(0.10)	0.36	0.69
	205.19	351.85	621.22
Adjustments for changes in working capital			
Decrease in inventories	34.88	42.56	81.02
(Increase) / decrease in financial assets	(12.02)	163.20	248.07
Decrease in other assets	15.68	29.34	48.32
Increase / (decrease) in financial liabilities	66.61	(220.12)	(167.88)
Increase / (decrease) in other liabilities and provisions	10.33	4.05	(6.04)
Cash generated from in operating activities	320.67	370.87	824.71
Income tax paid, net	(25.75)	(39.52)	(106.99)
Net cash from operating activities	294.92	331.35	717.72
B. Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets [including capital work-in-progress and capital advances]	(90.23)	(216.39)	(323.48)
Purchase of right of use assets	(0.50)	(1.00)	(4.31)
Proceeds from sale of property, plant and equipment	0.35	1.34	1.36
Acquisition of investments	(88.00)	(361.10)	(1,190.97)
Proceeds from sale of investments	63.57	356.42	1,192.75
Dividend received	0.18	0.39	0.66
Interest received	3.63	0.24	2.81
Net cash used in investing activities	(111.00)	(220.10)	(321.18)
C. Cash flows from financing activities			
Repayment of lease liabilities	(4.11)	(4.23)	(8.46)
(Repayment) / proceeds from short term borrowings, net	(81.79)	33.83	(120.62)
Repayment of long term borrowings	(33.43)	(19.07)	(14.01)
Proceeds from long term borrowings	2.00	-	-
Dividend paid (including dividend distribution tax)	(0.47)	(78.62)	(184.35)
Interest paid	(18.26)	(27.18)	(49.31)
Net cash used in financing activities	(136.06)	(95.27)	(376.75)
D. Net cash flows during the year (A+B+C)	47.86	15.98	19.79
E. Cash and cash equivalents at the beginning of the year	40.90	20.07	20.07
F. Effect of change in foreign currency restatement	(1.94)	(0.58)	1.04
G. Cash and cash equivalents at the end (D+E+F)	86.82	35.47	40.90

Notes:

- 3 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 November 03, 2020 and November 04, 2020. The Statutory Auditors have carried out a limited review for the quarter and half year ended September 30, 2020 and have issued an unmodified report thereon.
- 4 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.
- 5 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), TVS Next Inc., USA (formerly known as TVS Infotech Inc), Sundram Fasteners Investments Limited, Sundram Non-Conventional Energy Systems Limited, Sunfast TVS Limited, TVS Engineering Limited, Sundram International Limited, UK, Cramlington Precision Forge Limited, UK, Sundram Fasteners (Zhejiang) Limited, Republic of China and Sundram International Inc., USA (together called as the "Group").
- 6 **Consolidated revenue from operations for the half year ended September 30, 2020 includes exports of Rs. 445.42 crores (corresponding previous period - Rs. 763.29 crores). Other income for the half year ended September 30, 2020 includes net foreign exchange gain of Rs. 6.98 crores (corresponding previous period: Rs. 3.95). Finance cost for the quarter and six months ended September 2020 includes exchange gain of Rs. 5.40 crores (corresponding previous period exchange loss of Rs. 5.40 crores) and exchange gain of Rs. 4.83 crores (corresponding previous period exchange loss of - Rs. 5.16 crores) respectively.**
- 7 The Board at its meeting held today, declared an interim dividend of Rs. 1.30 per share (130 %) for the financial year 2020-21 and the same will be paid to the members/beneficial owners, whose name appear in the register of members / register of beneficial owners maintained by the Depositories as on the record date i.e. November 14, 2020.
- 8 The Group is engaged primarily in manufacture and sale of bolts and nuts, water and oil 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.
- 9 Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 01, 2019, domestic companies have the option to apply a lower income tax rate with effect from April 01, 2019 subject to certain conditions specified therein. Certain domestic Companies in the Group had exercised the above option during the year ended March 31, 2020 and had recognized provision for income tax and re-measured the deferred tax liability for the year ended March 31, 2020 based on lower income tax rates
- 10 The three foreign subsidiaries of the Group had financial years ending on December 31, whereas the parent company along with its domestic subsidiaries have the year end of March 31. During the previous year, such foreign subsidiaries had 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 year ended March 31, 2020 and half year ended September 30, 2019 also includes the financial results of such foreign subsidiaries for the period January 01, 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.
- 11 In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. In view of the pandemic, the Group has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the consolidated financial results. The Group has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment, the necessary impact has been given in the preparation of these consolidated financial results. The Group will continue to closely monitor any material changes to future economic conditions.