

Sundaram - Clayton Limited

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COMPANY RELEASE

Chennai, February 12, 2018:

We had communicated earlier that the Company is taking necessary steps to overcome the challenges for meeting the customers' requirements on time.

Company has created additional capacities and are being commissioned. In view of the lead time required, the Company resorted to outsourcing and incurred air freight charges to meet the customer requirements on time, and to avoid line stoppage in customer's factories.

Hence, these steps have resulted in an increase in cost on account of premium airfreight and outsourcing cost by Rs.60.7 Crores for the quarter ended December 31, 2017 and Rs. 111.9 Crores for the nine months ended December 31, 2017. Therefore, SCL has incurred a profit of Rs. 0.97 Crores only for the quarter ended December 31, 2017 and a loss of Rs.43.35 Crores for the nine months ended December 31, 2017. With comprehensive income, the profit for the quarter and nine months ended December 31, 2017 is Rs. 31.51 Crores and Rs.12.19 Crores respectively.

We are confident that, given the measures being taken and implemented, the results will improve by the last quarter of the current financial year and normalcy is expected during financial year 2018-19.
