

Date:28/03/22

Sundaram fasteners ltd, a part of the TVS Group of Companies, is engaged in manufacturing critical, high precision components such as fasteners, power train components etc for the automotive, infrastructure, windmill, and aviation sectors.

KEY POINTS

Product Portfolio

High Tensile Fasteners:Wind Energy Fasteners, Automotive Fasteners, Engine Fasteners Aerospace and Aviation Fasteners, etc.

Cold extruded parts:Gear blanks, Transmission shafts, Cams, etc

Hot Forged Parts:Bevel Gear & Pinion Family, Hub and Gen 3 Bearing hub rings, etc.

Powertrain components:Turbine and output Shafts, Clutch hub, Sun Gear Shafts, etc.

Pump & Assemblies:Water pumps, Oil pumps, Mechanical Fuel feed pumps.

Radiator Caps:Metal Caps, Nylon Caps.

Powder metallurgy:rotors and gears, synchronizer hubs, bushes, and structural parts, etc.

Geographical Split

India - 60% in FY21 vs 58% in FY20

USA - 27% in FY21 vs 27% in FY20

UK, China & Rest of the world - 13% in FY21 vs 15% in FY20

Clients

The Co supplies to a number of international OEMs including GM, John Deere, New Holland, Daimler Chrysler, Cummins etc.

Manufacturing Capabilities

The Co has manufacturing base setup in India as well as outside India. It has 13 manufacturing facilities in India located in Tamil Nadu, Telangana, Andhra Pradesh, Puducherry and uttarakhand. Outside India, it has manufacturing facilities in China and the UK.

Capex

The Company incurred 140 Crores towards capital expenditure on existing and new projects during FY21. The capital investments were incurred in tandem with the production plans of key customers.

Capex is expected to be higher at around Rs 250-300 crore each for the next 2 years as the company is looking to expand new products at existing facilities.

New Unit

The Company has set up a new SEZ Unit at Sri City, Andhra Pradesh with an initial investment of Rs 100 Crores to manufacture and export engineering components to a European powertrain manufacturer for onward supply to its global marquee OEM customers. The Unit commenced commercial production and made the first shipment to Germany in January 2020.

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Subsidiaries

The Company has 6 Domestic Subsidiaries and 5 Overseas Subsidiaries. The total revenue from all the subsidiaries of the Company in aggregate during FY21 was at 649 Crores resulting in an overall contribution of 18% to the consolidated revenue.

R&D

The Co spent 12 crores on R&D during FY21. Its R&D is focused on development of products for new applications and markets and reduction of manufacturing lead time/costs through elimination/change in process.



Technical View: Sundaram fasteners ltd, recently had a classical symmetrical Triangle breakout with strong Bullish candle, Stock has chance to retest breakout level which is at 885 RSI trading at overbought zone, MACD crossover supports the positive trend. Overall structure looks positive.

Volume analysis: - 1 Day Delivery volume Increase by 28.2% over 5 day average, However; 1 Month: Delivery volume increase by 161.66%, As per volume generation stock may attract more volumes in upcoming session, hence; We recommend BUY signal for this share. As stock may retest the Breakout level which is at 885, Therefore; We recommend to Buy this stock at 885-900 zone for Target 993, Use Strict stop loss 850.

Moving Averages: - Sundaram Fasteners Ltd. is trading higher than 5 day, 20 day, 50 day, 100 day and 200 day moving averages.

5 Day 886.89

50 Day 852.94

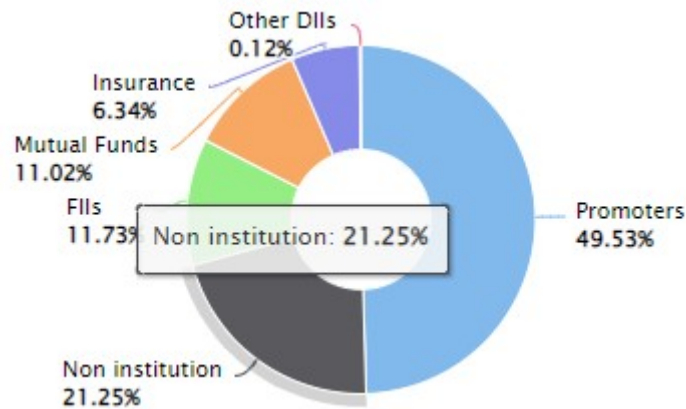
200 Day 842.53

20 Day 836.15

100 Day 853.27

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Shareholding pattern:-



The Promoter holdings 49.53% . No change in Promoter holdings. No change in Promoter pledged shares.

P/E Ratio

45.21

1-Yr Return

66.50

(Best) P/E Ratio

30.50

30 DA Vol (m)

0.01

(Best) PEG Ratio

0.00

EPS (Rs.)

17.10

Shares Outstanding (cr)

210.13

Best EPS Curr (Rs.)

25.35

Price/Book Ratio

6.92

Dividend

0.61

Price/Sales Ratio

4.58

Last Dividend

0.00