



Sundaram-Clayton Limited

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9th February 2017

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Scrip code: 520056

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.
Scrip code: SUNCLAYLTD

Dear Sir,

Reg. : Press Release - "Sundaram-Clayton Limited (SCL) readies for growth - To invest in India and United States of America (USA)"

We enclose a Press Release dated February 09, 2017 titled "Sundaram-Clayton Limited (SCL) readies for growth - To invest in India and United States of America (USA)" along with a presentation to be made at the press meeting, for dissemination.

Thanking you,

Yours faithfully,
For SUNDARAM-CLAYTON LIMITED


R Raja Prakash
Company Secretary



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Press release

Sundaram-Clayton Limited (SCL) readies for growth – to invest in India and the U.S.

- *Plans to invest INR 400 Cr over 3 years to expand its facilities in India to cater to growth in the Indian market*
- *Plans to invest in the U.S. - its first manufacturing facility overseas*
 - *U.S. facility to be located on a 50 acre greenfield site in South Carolina's Dorchester County*
 - *Plans to invest an additional USD 50 million (Rs 350 Cr)*
 - *SCL has acquired property and serial production is set to commence by the end of 2018.*

09-Feb-17, Chennai: Sundaram-Clayton Limited (SCL), is a flagship company of the USD 7 billion TVS Group and a leading Indian manufacturer and supplier of aluminum cast products to global automotive OEMs. Further to the investment announcement made to the press and stock exchanges in August 2015, a progress update on the above plans is made now.

The company plans to invest for growth both in India and in the U.S., along with its subsidiary. It plans to invest INR 400 cr over 3 years to expand its facilities in India. This will increase its capacity from 60,000 MT to 70,000 MT. SCL has 4 manufacturing plants situated in India, and is known for its robust manufacturing expertise driven by TQM, TPM and Lean practices. The planned investment will enable the company to cater to the growth that it expects from the Indian market.

The company also announced its plans to set up its first manufacturing facility outside of India with an additional investment of over USD 50 million (*Rs 350 Cr*) to create 10,000 MT of capacity over a period of five years. The facility will be located in the United States, in Dorchester County, South Carolina. Currently, the United States contributes a major share of SCL's export revenue. In order to support its customers in the region with a shorter supply chain and improved responsiveness to their requirements, SCL has decided to establish a plant in the country. The new plant seeks to deepen SCL's decade long strategic engagement in the region.

South Carolina is among the fastest growing automotive and manufacturing hubs in the United States. SCL has acquired 50 acres of land in Dorchester County for its plant, where it will manufacture High Pressure Die Cast and Gravity Cast parts. Construction at the site is expected to begin by April 2017, and the first production line would be ready for roll out by end of 2018.

Speaking about the initiative, Dr. Lakshmi Venu, Joint Managing Director, Sundaram-Clayton Limited (SCL) said,

"Over the last decade, the automotive components industry in India has grown three times in size and exports have grown rapidly as well. I believe that there is a bright future for Indian auto component companies both in India and in the export market. I am also confident that India will be among the fastest growing markets globally in the next few years and we will continue to invest strongly and grow in India."



Dr. Lakshmi Venu further added, "The United States is a strategically important market for us. Over the years, we have built strong partnerships with global OEMs in the region and have decided to set up a state of the art facility in the United States to better support our customers there. Dorchester County in South Carolina offers certain strategic business advantages including proximity to a high quality port, a well-rounded transportation network, a young, well-educated, diverse workforce and an excellent business environment. SCL is known for our customer-first attitude in everything that we do and we expect that this plant will enable us to be more responsive to our customers and to serve them better."

About Sundaram-Clayton Limited

Sundaram-Clayton Limited (SCL) is a leading manufacturer of aluminum die cast products catering to the needs of the global automotive industry. SCL is a part of the USD 7 billion TVS group, one of the largest automotive and automotive component manufacturing and distribution groups in India.

SCL is also the holding company for the USD 1.6 billion TVS Motor Company Limited (TVSM) which is India's third largest manufacturer of two-wheelers and a flagship company of the TVS Group.

About TVS Group

The TVS Group, which comprises over 60 companies, is one of India's most respected business groups, with interests in diverse industries including automobiles, auto components, logistics, distribution and dealerships, finance, and real estate.

The group was founded in 1911, when Mr. T.V. Sundaram Iyengar, the visionary founder, started a bus service in Tamil Nadu. The TVS bus service had an impeccable reputation for plying "on time, every time," and it is said that the residents of the towns on the bus route used to set their watches by the arrival of the TVS bus. This commitment to customer satisfaction and exactness has been the foundation for the growth and success of the group.

In its more recent history, Total Quality Management (TQM) has been widely adopted as the 'way of life' in the TVS Group. As a testimony to the group's unwavering commitment to quality, five TVS companies have won the coveted Deming Prize of Japan.

Dr. Lakshmi Venu

Joint Managing Director



Sundaram-Clayton

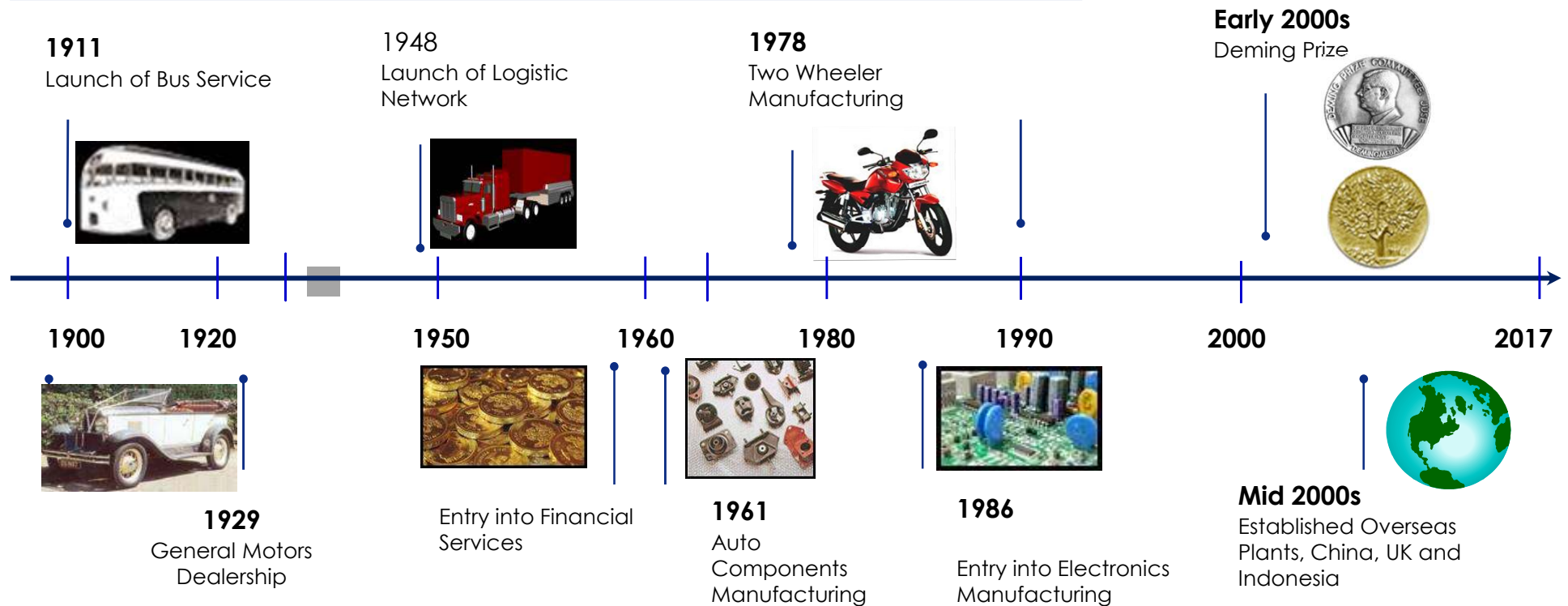
Structure of Presentation



Sundaram-Clayton

1. TVS Group overview
2. Sundaram-Clayton Limited (SCL) overview
3. Expansion plans
 - India
 - U.S.
4. Srinivasan Services Trust (SST)

TVS Group – a 100 years



- Established in **1911**
- Sectors: Automobiles, auto components, logistics, dealerships & real estate
- Over 60 companies - Market leaders in most businesses
- 40,000 employees

Sundaram-Clayton Limited



Sundaram-Clayton

- A **\$ 2.0 Bn** corporate entity
- A part of the **\$ 7.0 Bn TVS Group**
- Focussed on vehicle manufacturing and auto components.
 - TVS Motor Company Limited (TVSM)
 - **Sundaram-Clayton Limited (SCL)– Die casting division**
 - Sundaram Auto Components Limited (SACL)

Sundaram-Clayton Limited – Die casting



Sundaram-Clayton



Sales : **Rs. 1,523 Cr** (45,000 MT)
: **Exports** account for **40%** of which **60%** is to the **U.S.**

Products : Machined aluminium die-castings

Markets : India, **U.S.**, Europe

Key customers : Cummins, Volvo, Daimler, Hyundai and TVS Motor

Locations : 4 locations within India

Segments : **Commercial vehicles**, passenger car and two-wheelers

Product Families: Parts for engine, transmission and chassis



Global customer base

Commercial Vehicles	Passenger Cars	Two Wheelers
             	    	 

Accolades



TPM Excellence Award

First category by Japan Institute of Plant Maintenance (JIPM)

Quality Award

Cummins, Hyundai, Ford(Q1), Delphi TVS

New Product Development Award

Cummins, Hyundai, Wabco, Visteon, ZF, Tata Motors



IMEA Award Platinum Category

Recognition for manufacturing excellence

Best Supplier Award

Cummins, Daimler, PACCAR/DAF
Hyundai, Honda

IR Award

Best IR award from Government of Tamil Nadu

TEI Award

Multiple awards from domestic and international forums

Expansion plans - India



Sundaram-Clayton

- Invested Rs. 408 Cr over the past 5 years (2011-12 to 2015-16)
- Plans to invest Rs. 400 Cr over the next 3 years
- Estimated capacity enhancement from 60,000 MT to 70,000 MT

Expansion Plans – U.S.



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Background for a footprint in the U.S. *Sundaram-Clayton*

- Customer requests for near shore presence
- Shortening the supply chain
- Deepen its decade long engagement in the region

Project highlights



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Location	: Proximity to current customers (South Carolina)
Project Site	: Ridgeville, Dorchester county – 50 acres
Investment	: \$ 50 Mn over a period of 5 years – (greenfield)
Capacity	: 10,000 MT
Start of construction	: April 2017
Start of production	: End of 2018
Employees	: 130
Process	: Casting and machining

Srinivasan Services Trust (SST)



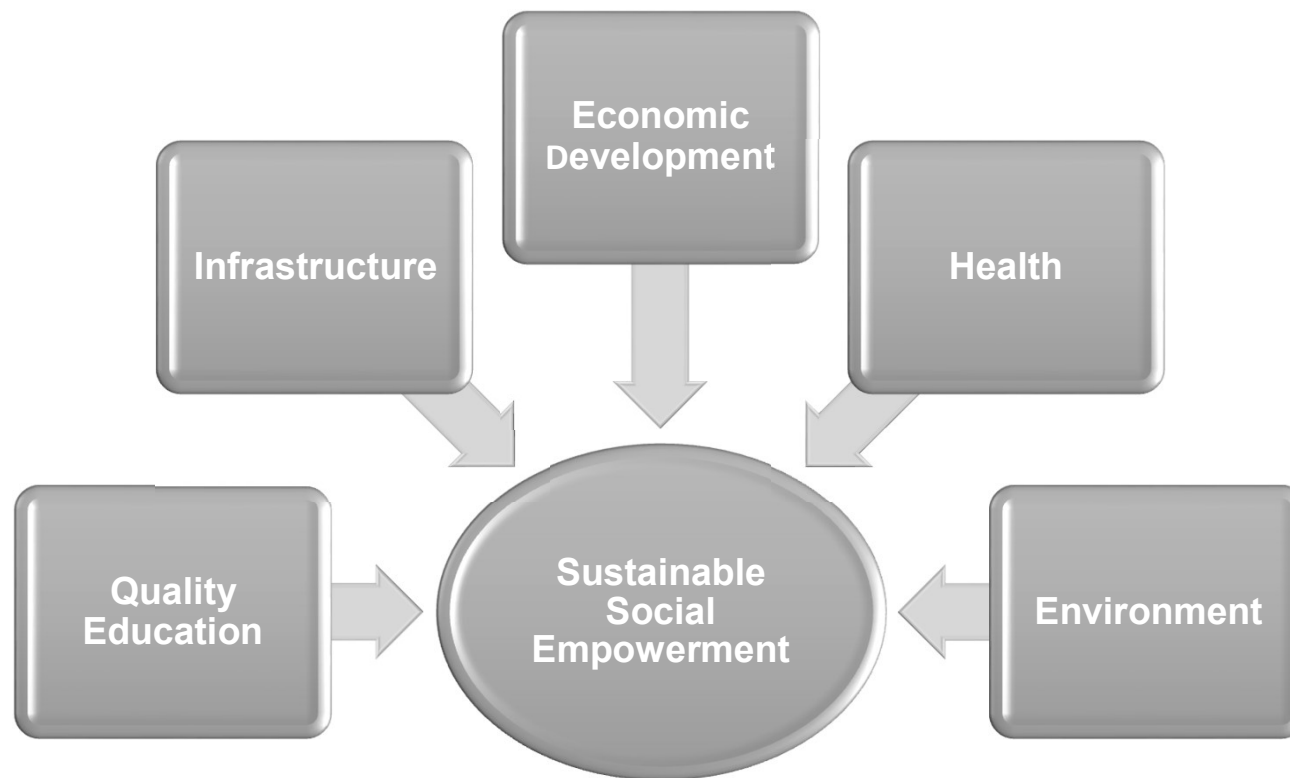
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SST: Creating self reliant communities



Sundaram-Clayton

Vision: To be a partner in the transformation of rural communities and urban slums by empowering people to achieve sustainable development



- Engaged in integrated development activities for over two decades
- Present in 5015 villages across 5 Indian states benefiting over 3.2 million people

Thank you



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This presentation contains forward – looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward – looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward – looking statements . These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.