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Sundaram-Clayton Limited

17th May 2019

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. : Sundaram-Clayton Limited inaugurates first overseas facility in USA at a project cost of ₹ 630 Crores (US \$90 Million)

We enclose a Press Release dated 17th May 2019 titled "Sundaram-Clayton Limited inaugurates first overseas facility in USA at a project cost of ₹ 630 Crores (US \$90 Million)", for dissemination.

Thanking you,

Yours faithfully,
For Sundaram-Clayton Limited


R Raja Prakash
Company Secretary



Sundaram-Clayton Limited (SCL) inaugurates first overseas facility in USA at a project cost of ₹ 630 Crores (US \$90 Million)

May 17, 2019 | Chennai, India: Sundaram-Clayton Limited (SCL), announced the inauguration of its first overseas facility in South Carolina, USA, through its subsidiaries, to significantly enhance its ability to serve its customers in North America, its biggest export market. This expansion will establish SCL as a global player from India. The operations will commence by September 2019.

The US market currently represents about 60% of the company's exports and 40% of its revenues. An on-shore presence will enable SCL to sharply reduce delivery lead times, giving it a competitive advantage in an increasingly demanding market for automotive components.

The US facility has been built with a project investment of \$90 million. It will produce 1,000 tonnes of castings in the first year of production and in five years, will scale output to 10,000 tonnes. SCL will manufacture a range of high-pressure die-cast and gravity die-cast parts in this facility.

The US Department of Commerce and its trade promotion arm, the US Commercial Services in Chennai, played a key role in facilitating this project.

Dr. Lakshmi Venu – Joint Managing Director, Sundaram-Clayton Limited, while articulating the SCL strategy said, *"The long-term outlook for both the American and the Indian automotive industries is strong. In both markets, OEM vehicle makers are focussed on light-weighting and better fuel economy. Our technologies are aimed at supporting this industry trend. Our strategy of expanding in both these markets enables us to support our customers with a more responsive supply chain in an increasingly dynamic world."*

South Carolina is among the fastest growing automotive and manufacturing hubs in the United States. SCL's overseas facility is built on 50 acres of land in Dorchester County in the Ridgeville Industrial Park, South Carolina.

Governor of South Carolina Henry McMaster, inaugurating the SCL plant said, *"Our state is leading the way in economic development, and the fact that Sundaram Clayton is already announcing additional jobs is another testament to that. This is a big win for Dorchester County and the entire state, and we're excited to see what the future has in store for this great company, and we wish them years of continued success."*

Apart from its US facility, SCL has also invested recently in a new plant in Tamil Nadu, India. The company is positive on the long-term strength of its core Indian market as well, and recently opened an additional plant in Oragadam, near Chennai, to service its Indian automotive customers.



About Sundaram Clayton Limited: sundaram-clayton.com

Sundaram-Clayton Ltd. (SCL) is a part of the conglomerate **TVS Group**, which was established in 1911 in India and has companies worldwide. TVS Group revenue was US \$8.5 billion in fiscal 2018.

Sundaram-Clayton and its subsidiaries' revenue stood at ₹ 21,575.64 Cr in fiscal 2019. This includes India's third-largest two-wheeler maker **TVS Motor Company Limited**, its die-casting and plastics divisions.

SCL, which has set up the plant in Ridgeville, is an aluminum die-caster that supplies auto-components for vehicles ranging from two-wheelers to large multi-ton trucks to major global players in the auto industry.

Sundaram Clayton Limited has a revenue of ₹ 1,932.94 Cr and has five manufacturing facilities, with four in India and one plant in South Carolina, USA. The company has a capacity to produce 74,000 MT/ annum. Its die-casting processes include high pressure die-casting, gravity die-casting, low pressure die-casting, post casting (shot-blasting, heat treatment) machining and sub-assembly.

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