TVS

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Sundaram-Clayton Limited

01/01/C/02/

18th January 2012

The Manager
Listing department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex
Bandra (E), Mumbai 400 051.

Scrip code : SUNCLAYTON

Dear Sirs,

Re: Draft Composite Scheme of Arrangement including Amalgamation and Demerger among Sundaram-Clayton Limited (SCL), and its wholly owned subsidiaries and their respective shareholders, subject to all requisite or necessary approvals/sanctions including under and in accordance with Sections 391-394 of the Companies Act, 1956 – Intimation under clause 36 of the Listing Agreement for seeking approval under clause 24(f) of the Listing Agreement

Ref: Our letter dated 13th August, 2010
Our letter dated 14th November 2010 and
Our letter dated 26th December 2011 on the above subject

Further to our communication on the above subject dated 26th December 2011, we wish to advise as follows:

1. Based on the queries received after announcement about the composite Scheme of Arrangement, we wish to state that since the equity shares in Sundaram Investment Limited (SIL) allotted consequent to demerger are not proposed to be listed on any of the Stock Exchanges, the public shareholders holding equity shares of Rs.5/- each in SIL will be provided an exit option as mentioned in our letter dated 26th December 2011 at a price viz., Rs.48/- per share which is based on the valuation report given by the valuer appointed for this purpose.

2. Further, we wish to state that in accordance with the provisions of the Listing Agreement, we have obtained fairness opinion from a merchant banker on the swap ratio arrived at for effecting the demerger of the non auto related business of Sundaram-Clayton Limited (SCL) into SIL.

All the above are subject to approvals by the Stock Exchanges, Shareholders, Hon'ble High Court of Madras and other regulatory authorities.

Thanking You,

Yours faithfully,
for SUNDARAM-CLAYTON LIMITED

R Raja Prakash
Company Secretary