



Sundaram-Clayton Limited

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01/01/C/01

14th November 2010

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: Composite scheme of arrangement and amalgamation among Sundaram-Clayton Limited (SCL) (and its wholly owned subsidiaries, namely) Sundaram Investment Limited (SIL), TVS Investments Limited (TVSI) and Anusha Investments Limited (AIL) 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

Ref: Our earlier letter dated 13th August 2010 on the above subject

This has further reference to our letter, referred to above, notifying the approval of the proposal of the said Scheme by the board of directors at its meeting held on 13th August 2010.

In the meeting of the Committee of directors held today, the draft Composite Scheme of Arrangement and Amalgamation among Sundaram-Clayton Limited, Sundaram Investment Limited, TVS Investments Limited and Anusha Investments Limited and their respective shareholders was approved.

The salient features of the said Scheme are set out in the annexure attached to this letter. The said Scheme was approved by the Committee of directors at its meeting held on 14th November 2010, subject to (a) approval of the stock exchanges, (b) approval of the shareholders of the Company at Court convened separate meetings, and (c) sanction of the High Court of Madras under and in accordance with Sections 391-394 of the Companies Act, 1956.

Thanking you

Yours faithfully,
For SUNDARAM-CLAYTON LIMITED

R Raja Prakash
Company Secretary

Encl : a/a

**SUNDARAM-CLAYTON LIMITED
CHENNAI**

**ENCLOSURE TO LETTER DATED 14TH NOVEMBER 2010 REGARDING
THE SALIENT FEATURES OF THE PROPOSED SCHEME:**

- ❖ Definition of demerged, resulting, transferor, transferee companies, appointed date, effective date, etc;
- ❖ This Scheme has the following nomenclature of the various companies:
 - i) Demerged company / transferee / amalgamated company (2) i.e., Sundaram-Clayton Limited (SCL);
 - ii) Resulting company / transferee / amalgamated company (1) i.e., Sundaram Investment Limited (SIL);
 - iii) Transferor / amalgamating company (1) i.e., TVS Investments Limited (TVSI); and
 - iv) Transferor / amalgamating company (2) i.e., Anusha Investments Limited (AIL)
- ❖ Demerger of 'non-automotive related business' to and in favour of the Resulting Company comprising all assets, liabilities, duties, rights and obligations relatable to the 'demerged undertaking' namely 'non-automotive related business', and retaining 'automotive related business' with the Demerged Company;
- ❖ Fair share entitlement ratio, namely for every 2 (two) equity shares of Rs.5/- each fully paid up of SCL prior to the proposed reorganization of share capital of SCL as mentioned below:
 - ❖ 1(One) equity share of Rs.5/- each fully paid up of SIL shall be issued and allotted by SIL; and
 - ❖ 1(One) equity share of Rs.5/- each fully paid up of the SCL shall be issued and allotted by SCL after cancellation and extinguishment of the equity shares held prior to the reorganization.
- ❖ Amalgamation of TVSI with SIL and AIL with SCL.
- ❖ Combining of the authorized share capital of TVSI / AIL with their respective holding companies viz., SIL / SCL respectively, consequent to amalgamation and dissolution.
- ❖ Listing of new shares of SCL and the shares of SIL subject to such statutory compliances, as may be required under the Securities Laws.



SUNDARAM-CLAYTON LIMITED
CHENNAI

/2/

- ❖ Conduct of business till the Scheme obtains the statutory approvals by the demerged, resulting, transferor and transferee companies.
 - ❖ Continuation by or against the resulting / transferee companies of any legal proceedings pending by or against the demerged / transferor company.
 - ❖ Protection of employees' interest without any alteration in their service conditions consequent to the demerger and amalgamation.
 - ❖ Provision with regard to payment of dividend from the Appointed Date.
 - ❖ Treatment of accounting consequent to the demerger and amalgamation as envisaged in the Scheme.
 - ❖ Other general terms and conditions normally applicable to the Scheme of arrangement.
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