

## **8<sup>th</sup> Annual General Meeting - Sundaram Clayton Limited**

**August 6, 2025**

- **Moderator:**
- Good afternoon to all, Eighty-Eight number of shareholders are attending the meeting. Request Chairman to convene the meeting.
- **Mr. R. Gopalan – Chairman, Sundaram Clayton Limited:**
- Good afternoon, ladies and gentlemen, I, R Gopalan, Chairman of the Company and the Chairman of the Audit Committee, and also representing the Nomination and Remuneration Committee, call the meeting to order since the requisite quorum is present.
- Let's start the meeting with prayer.
- *Prayer was played.*
- **Moderator:**
- Request the Chairman to read out the statutory requirement for this meeting.
- **Mr. R. Gopalan – Chairman, Sundaram-Clayton Limited:**
- In compliance with the circulars issued by MCA and SEBI, this AGM is being convened through video conferencing and has engaged NSDL for this purpose.
- Soft copy of Register of Directors and Key Managerial Personnel and their shareholdings, Register of Contracts, Register of Members and Debenture Holders are accessible on the Company's website during the continuance of the AGM.
- As per the guidelines, the Company has sent an annual report to its shareholders through email and hard copies of the annual reports were sent to those shareholders who requested for the same.
- Shareholders participating at the AGM who have not cast their votes earlier through remote e-Voting, can exercise their votes by using the link provided on the NSDL website.
- Now, I request the Directors to introduce themselves to the members.
- Today, Mr. C R Dua, Independent Director, is not present due to some personal commitments.
- **Moderator:**
- Mr. Venu Srinivasan, Chairman Emeritus and Managing Director.

- **Mr. Venu Srinivasan -- Chairman Emeritus & Managing Director, Sundaram-Clayton Limited:**

I'm Venu Srinivasan, Chairman Emeritus and Managing Director. Thank you.

- **Moderator:**

- Dr. Lakshmi Venu, Managing Director.

- **Dr. Lakshmi Venu – Managing Director, Sundaram Clayton Limited:**

- Good evening.

- **Moderator:**

- Mr. Vivek Joshi, Director and CEO.

- Mr. Vivek Joshi - Director and CEO, Sundaram-Clayton Limited:

- Vivek Joshi, Director and CEO.

- **Moderator:**

- Mr. R. Anandakrishnan, Non-Executive Director.

- **Mr. R. Anandakrishnan – Non-Executive Director, Sundaram Clayton Limited:**

- Good afternoon.

- **Moderator:**

- Mr. P Kaniappan, Independent Director.

- **Mr. P. Kaniappan – Independent Director, Sundaram Clayton Limited:**

- Good afternoon.

- **Moderator:**

- Mr. Rajesh Narasimhan, Non-Executive Director.

- **Mr. Rajesh Narasimhan – Non-Executive Director, Sundaram Clayton Limited:**

- Good afternoon.

- **Moderator:**

- Ms. Sasikala Varadachari, Independent Director.

- **Ms. Sasikala Varadachari - Independent Director, Sundaram Clayton Limited:**

- Good afternoon.

- **Moderator:**
- I request the Chairman to continue the proceedings.
- **Mr. R. Gopalan - Chairman, Sundaram Clayton Limited:**
- Notice of the meeting has already been circulated to the shareholders. The statutory auditor's report and secretarial audit report to the shareholders are already available with you, and both reports are free from any qualifications or observations or other remarks.
- Ladies and gentlemen, good afternoon.
- I have great pleasure in welcoming you all to the 8<sup>th</sup> Annual General Meeting of the company. Before I delve into the performance of the company, allow me to present a brief overview of the macroeconomic and industry landscape that shaped the year under review.
- India's real GDP growth by 6.5% in FY25, moderating from the 8.2% growth in FY24 as a post-pandemic rebound began to normalize. Despite this moderation, India retained its position as one of the fastest-growing major economies globally. In this environment of moderated economic momentum coupled with geopolitical uncertainties and the Red Sea crisis, particularly in the first half of FY25, the Indian automobile industry delivered a resilient performance aided by supportive government policies and strong consumer sentiment in select segments.
- **Medium and heavy commercial vehicles:**
- Domestic sales of medium and heavy commercial vehicles declined 2% from 4.07 lakhs to 3.97 lakh units, largely due to an extended monsoon season which delayed infrastructure activity.
- On the other hand, exports grew by 28% from 18.2 thousand to 23.2 thousand units, showcasing India's growing competitiveness in global markets.
- **Passenger vehicles:**
- Domestic passenger vehicle sales grew modestly by 2% from 42.2 lakh units to 43 lakh units.
- Within this, utility vehicles surged by 11%, reaching 27.9 lakh units, now accounting for a commanding 65% of all overall passenger vehicle sales.
- Passenger car sales, however, declined 13% to 13.5 lakh units, impacted by a high base and shifting consumer preference towards utility vehicles.
- Passenger vehicle exports grew impressively by 15% to 7.7 lakh units, driven by increasing global demand, particularly from Latin America and Africa.
- **Two wheelers:**
- Domestic sales increased 9%, reaching 1.96 crore units aided by rural demand recovery, new model launches and rising EV adoption.

- Exports saw robust growth of 21%, rising to 41.9 lakh units, with African and Latin American markets contributing significantly.
- **Electrification and Sustainability:**
- Electric passenger vehicles and two-wheelers grew by 15% and 19% respectively, underscoring the accelerating pace of electrification.
- A notable national milestone was the pan-India rollout of E20 petrol, which is a 20% ethanol blend by April 2025, well ahead of the target. As of February 2025, the blending level has already reached 17.98%, reflecting significant progress in India's ethanol blending programme.
- **Raw material trends:**
- Aluminium prices, a key raw material remained elevated, averaging US\$2,526 per ton on the LME in FY25.
- These levels were 30% to 40% higher than the pre-COVID range due to restricted global supply, shipping disruptions, and continued demand from green industries, thereby impacting input cost structures across the industry.
- **North America**
- In the United States, GDP growth accelerated to 2.8% in calendar year 2024, from 2.9% in the prior year, with retail spending remaining resilient.
- Inflation moderated to 2.9%, although challenges persisted in the housing sector due to rising interest rates and cost pressures.
- **Commercial Vehicle Sales:**
- Class VIII trucks witnessed a 5% decline from 3.31 lakhs to 3.16 lakh units, reflecting a slowdown in on-highway truck demand and freight market uncertainty.
- Class 5 to 7 trucks grew marginally by 1%, reaching 2.59 lakh units, supported by steady demand in the vocational segment.
- Overall, the market was marked by cautious customer sentiment as retail buyers closely monitored developments in interest rates and the broader freight economy.
- **European Union**
- In the European Union, the economy showed early signs of revival, with GDP growth rising to 1% in calendar year 2024, up from 0.4% in calendar year 2023. This was driven by higher consumer spending and better export performance, while inflation is sharply to 2.6%, aided by lower energy costs and stabilizing supply chains.
- However, the heavy commercial vehicle segment, which is above 16 tons, saw an 8% contraction with sales declining from 3.4 lakh units to 3.2 lakh units.

- Spain was a notable exception, with 12% growth supported by public sector investments and fleet renewals.
- In summary, FY25 was a year of resilient demand in select auto segments, strong export momentum, and progress in sustainability initiatives, despite global uncertainties and input cost challenges.
- The industry is poised to benefit from continued structural reforms, rising electrification, and India's growing relevance in the global automotive supply chain.
- **Sundaram Clayton Performance for FY25:**
- The financial year 2024-25 was marked by a challenging global environment with subdued demand conditions, both in domestic and international markets.
- The global and domestic economic slowdown, coupled with persistent inflationary pressures and geopolitical tensions, especially in the Red Sea and Middle East regions, disrupted supply chains and led to a significant increase in aluminium and logistics costs.
- Despite these headwinds, I am pleased to report that the company achieved growth in EBITDA, reflecting the resilience of our business model and the proactive steps taken by the team.
- From the outset of the year, the company anticipated the potential impact of external uncertainties and focused on building internal efficiencies. Several systemic improvements were driven across the organization, with a sharp focus on:
  1. enhancing productivity and product quality,
  2. cost control initiatives to cushion the business against demand volatility.
- One of the key strategic initiatives during the year was the execution of multiple profit improvement projects. These were enterprise-wide efforts that yielded meaningful results and played a pivotal role in offsetting the impact of input cost inflation and delivering operational cost reductions during the year.
- The unwavering commitment of the SCL team, their agility in responding to the evolving external environment, and a strong focus on execution excellence enabled us to navigate a difficult year with operational and financial discipline.
- **New Smart Metal Die-Casting Plant at Thervoy Kandigai, Chennai, Tamil Nadu:**
- During the year, the Company completed major transition to its new smart metal casting and machining facilities to Thervoy Kandigai plant in Chennai without any customer line disturbances.
- TKP, the Thervoy Kandigai plant is the largest die-casting facility in India. The plant integrates high-pressure, low-pressure and gravity die-casting cells along with a comprehensive finished machining facility all under one roof.
- This facility is structurally designed to accommodate future mega presses ranging from 6,000 tons to 9,000 tons, positioning SCL to meet the evolving needs of global OEMs and emerging vehicle platforms.

- It will also cater to the growing demand for high-precision aluminium die-cast components across powertrain, structural, chassis and lightweight applications.
- This smart factory is built on the three principles of lean, green and connected. It features advanced robotic manufacturing cells, automated storage and retrieval systems and autonomous mobile robots for real-time man-less material handling, delivering a fully digital manufacturing ecosystem supported by our own private 5G network and secure digital platforms.
- Company's technological advancements are backed by its global R&D centres located in Stuttgart, Germany and at the IIT Research Park, Chennai.
- **Hosur facility divested & MWC Consolidation:**
- Now during the year, the company sold the non-machine as-cast component operations from low-pressure, low-tonnage aluminium die-casting businesses at its Hosur plant to Sandhar Ascast Private Limited, a wholly owned subsidiary of the Sandhar Technologies Limited, marking its exit from low-value segments.
- As part of the consolidation strategy, the company is transferring operations from its Mahindra World City to the Thervoy Kandigai plant and Oragadam facilities.
- TQM is a way of life in the company. Employees have completed 261 projects by applying statistical tools through quality control circles in FY25. 100% employee involvement has been successfully achieved for the 26<sup>th</sup> consecutive year.
- Employees also showed rigorous participation in implementing the suggestions. 100% of employee involvement has been achieved for the 25<sup>th</sup> consecutive year.
- The Company also revamped and launched the Yellow Belt and Green Belt programs during the year, along with various other systems-oriented training programs, which will build the competency of our engineers in structured problem solving.
- During the year, 104 Yellow Belt and Green Belt projects were completed.
- The company also continued to prioritize capex and improve working capital, which boosts the cash flow.
- The company's die-casting product sales marginally reduced to Rs. 2,012 crores in FY25 as against Rs. 2,016 crores in FY24.
- Overall revenue of the company from operations marginally grew from Rs. 2,123 crores in FY25 as compared to Rs. 2,097 crores in FY24.
- Increase in domestic sales by 1.8% to Rs. 1,053 crores in FY25 as against Rs. 1,034 crores in FY24.
- Marginal decrease in export sales to Rs. 958 crores in FY25 as compared to Rs. 981 crores in FY24.
- Profit after tax was Rs. 258 crores in FY25 as against Rs. 97 crores in FY24. This includes an exceptional income of Rs. 197 crores arising on the sale of Hosur unit.

- All the above enabled the company to post a better profit performance. I would like to appreciate the leadership team at SCL for their sustained efforts which enabled this achievement.
- **Dividend**
- The board of directors declared an interim dividend of Rs. 4.75 per share 95% for FY24-25 involving an outgo of Rs. 10.47 crores. The same was paid to the members on 16th April, 2025.
- **New Product Development**
- In the new product development, during the year, the company developed 59 new parts for customers like Cummins, PACCAR, Daimler and Volvo which is 79% higher than the previous year which is 33 new parts in FY24.
- The company has achieved a milestone on getting new product order with long-term platforms of our esteemed customers.
- The company this year continues to pursue collaborative product development opportunities with strategic consumers for the parts for light-weighting and electric mobility applications such as structural parts, battery housings and for powertrain applications - parts like transmission cases and various engine components.
- The company continues to deepen its engagement with its key customers like Cummins, Daimler, DAF, PACCAR, Volvo, Hyundai and Kia.
- The Company continues to engage the technical teams of customers in Europe through its global design centre in Germany.
- In addition to periodic interaction with the technical teams, line walks are also being performed jointly with members from India to identify potential co-development opportunities for SCL.
- The company continues to focus on strengthening the industry-academia partnership and work in the focused areas of light alloy development, additive manufacturing, simulation and product testing and validation through its R&D centre of excellence for light-weighting in IIT Madras Research Park.
- Last year, the company has developed and characterized aluminium part using additive manufacturing in collaboration with IIT Madras.
- The above measures would enhance the capabilities of the company to achieve business growth.
- **Business Development**
- The company has secured new and replacement business orders worth Rs. 653 crores from its customers, the highest orders obtained in a single year.
- While continuing to work on its current product range, the company is focusing its efforts to secure orders for non-powertrain application.
- The company is also working towards developing capabilities to leverage its position towards the emerging trends in the market.

- During the year, the company added three new customers, Allison, Mobis and TACO in the portfolio. These new orders and capability development actions will improve the company's top line in the next five years.

- **SCL USA Operations**

- The Sundaram Clayton-USA LLC sales grew to Rs. 230 crores in FY25 as compared to Rs. 163 crores in FY24, this is a 41% increase.
- During the year, the Company has commissioned a 4,400-ton large die machine at its US facility. The facility offers comprehensive in-house manufacturing capabilities, including core making, melting, heat treatment, post-casting and final assembly, primarily serving the North American truck market.
- The team is continuously working to ramp up the volumes, which will bring in substantial revenues to Sundaram Clayton Limited.
- More customers are engaging for future new businesses due to our near-shore presence in the USA, as local sourcing is gaining traction and from a sustainability perspective to reduce their carbon footprint. This facility will help leverage future growth opportunities in the US for Sundaram-Clayton Limited.

- **Awards**

- The Company received three major awards from its customers during FY25.
  1. Supplier Performance Management - Leader Award from DAF. SCL is recognized for the fourth consecutive year,
  2. 'Long-term Supplier Award' from PACCAR,
  3. Sustainability Award from Hyundai.
- Additionally, SCL Oragadam Plant received the "Certificate of Merit, Striving in Excellence in Manufacturing" from ECMA.

Employees participated and bagged 38 external awards in Total Employee Involvement in the category of platinum, gold, silver, rhodium, etc.

- **Outlook for FY26**

- Looking ahead for FY26, the business environment is expected to witness muted growth in commercial vehicle and passenger vehicle segments, shaped by a mix of domestic tailwinds and external headwinds. Despite these dynamics, the company remains committed to growing its overall sales driven by operational resilience, customer centricity and strategic initiatives.

- **India**

- India continues to be a bright spot in the global economy, supported by strong policy trust and macroeconomic stability.
  - The union budget for FY26 reflects the government's ongoing commitment to infrastructure development, with capital expenditure rising by 10% to Rs.11.21 lakh crores from Rs.10.19 lakh crores in FY25.
  - Rainfall is expected to be above normal and inflation is predicted at 3.7%, remaining well within RBI's comfort zone.
  - GDP growth is predicted at 6.5%, it can go down marginally due to trade headwinds.
  - Current account deficit is projected to widen slightly to 1.2% to 1.3% of GDP in FY26, driven by volatile crude oil prices and global trade slowdowns.



- Structural enablers like the production linked incentive schemes for the automotive and component sectors and India's push for semiconductor manufacturing will further strengthen the long-term outlook for the auto ecosystem.
- Vehicle light-weighting trends, fuelled by stringent emission and fuel efficiency regulations are driving higher aluminium content in vehicles. SCL is strategically positioned to leverage this shift through its capabilities in aluminium-based solutions.

Segment-wise, growth expectations for the Indian automotive market in FY26 are as follows.

- Passenger vehicles expected growth of around 2% to 4%.
- Commercial vehicles projected growth of 2% to 5%, with the MHCV segment expected to grow by 4% to 6%.

- **Export markets**

- The global macroeconomic outlook for FY26 more subdued.
- The world GDP growth is forecasted to slow to 2.3% in 2025, compared to 2.9% in calendar year 2024.
- Ongoing challenges include
  - rising protectionism and trade barriers,
  - persistent geopolitical tensions,
  - policy and monetary uncertainty.
- In North America, the Federal Reserve maintained interest rates between 4.25% to 4.50% through mid-2025, with possible rate cuts expected in the later half of the year.
- In Q1 2025, US GDP contracted by 0.5%, marking the first decline in three years due to reduced consumer spending and exports.
- The truck industry in North America is seeing visible pressure:
  - Class A truck volumes dropped 11% in FY2025.
  - Class 5 to 7 truck volumes declined by 4%.
  - Additional softening is expected to the remainder of 2025 due to economic uncertainty and tariff-driven cost pressures.
- In the European Union, the economy is expected to grow modestly at 1% in FY2025, aided by improving consumer spending and stable inflation.
- The ECB remains accommodative, with one more rate cut likely in 2025.
- However, investment and export activity remain under pressure due to elevated trade risks and financing constraints.
- The EU heavy truck segment, that is more than 16 tonnes, declined by 15% in quarter 1 of calendar year 2025, with expectations of further de-growth throughout the year.
- **Summary Outlook**
- While export truck markets in the EU and US are likely to face a contraction, the company remains focused on:

- driving growth in domestic sales and entering new segments with increased content per vehicle
  - leveraging profit improvement projects and operational excellence to navigate external volatility. The long-term growth levers remain intact and the company is well-poised to capitalize on the evolving trends in mobility, life-weighting and sustainability.
- In the board meeting today, we approved the Q1 financial results with a revenue of Rs.444 crores and profit after tax of Rs.17 crores.
- I extend my heartfelt gratitude to Mr. Venu Srinivasan, Chairman Emeritus, for his visionary leadership and unwavering guidance during the challenging times. His stewardship has been instrumental in transforming the company into a leading global manufacturer of integrated die-cast and machined large aluminum components for both commercial and passenger vehicles.
- It is very encouraging to note that our Chairman Emeritus, Mr. Venu Srinivasan, has been honored with the Lifetime Achievement Award by the prestigious ET Awards for Corporate Excellence.
- It is also worth noting that Dr. Lakshmi Venu, Managing Director, was honored with the Devi Award by the New Indian Express in recognition of her exemplary leadership and unwavering commitment to the customer-first philosophy in business.
- Mr. C. R. Dua, Chairman, Dua Associates, was honored with the Lawyers of India Day Award 2024 for exemplary dedication to upholding the rule of law.
- The Board of Directors would like to thank the shareholders for the confidence reposed in the company.
- I would like to thank our customers, suppliers and bankers for their valuable support and assistance.
- I would also like to thank Dr. Lakshmi Venu, Managing Director, and Mr. Vivek Joshi, Director and CEO, for leading from the front.
- The employees of the company deserve a special appreciation for their commitment and hard work, which were instrumental in the company achieving the best-ever performance despite the volatile environment during the year.
- Thank you.
- The following ordinary resolutions are being considered in this AGM.
  - Adoption of both standalone and consolidated audited financial statements together with directors' report and auditors report for the year 2024-25.
  - Re-appointment of Mr. Rajesh Narasimhan, as a Director, liable to retire by rotation.
  - Re-appointment of Mr. Vivek Joshi, as a Director, liable to retire by rotation.
  - Appointment of M/s. B. Chandra and Associates as Secretarial Auditor for a term of five consecutive years and
  - Ratifying the remuneration payable to the cost auditor for the financial year ending 31<sup>st</sup> March 2026.

- Shareholders who have registered themselves as speakers are requested to speak one by one.
- **Moderator:**
- I will call out the shareholders name one by one and request the shareholders to keep their questions in short in the interest of time of all concerns. First speaker, Mr. Manoj Kumar Gupta. Mr. Gupta, can you hear us? Mr. Manoj Kumar Gupta, Mr. Manoj Kumar Gupta.
- **Mr. Manoj Kumar Gupta - Shareholder:**
- Hello! Hello!
- **Moderator:**
- Can you hear us? Can you hear Manoj ji?
- **Mr. Manoj Kumar Gupta – Shareholder:**
- Respected Chairman, Board of Directors, fellow shareholders. My name is Manoj Kumar Gupta. I've joined this meeting from City of Joy, Kolkata. I feel proud to be a shareholder of Sundaram Clayton. I thank to the company secretary and his team to help us to join this meeting through VC. And I strongly support all the resolutions and I wish to God to give you more success to take the company in new heights under your leadership to return to the employees and the investors. With this, thank you sir.
- **Moderator:**
- Thank you, Gupta ji. Mr. Abhishek. Mr. J. Abhishek? Mr. Abhishek, can you hear us?
- **Mr. Abhishek – Shareholder:**
- Hello, sir. Can you hear me, sir? Am I audible?
- **Moderator:**
- Yeah, you're very much audible.
- **Mr. Abhishek – Shareholder:**
- Sir, trust all is well with you and your family in this challenging situation. A company deserves much more respect than the current market cap after completing more than a decade of successful operations, profitability and becoming one of the strongest brands in the respective segment. Sir, first of all, I would like to know, sir, first of all, I congratulate management on the eve of 8<sup>th</sup> Annual General Body meeting. Sir, as of date, how many employees are there in the company, sir? And coming to page number 31 in the annual report, we have eight subsidiary companies and one associate company, sir. All are wholly owned subsidy companies. And most of them are from USA. So how much dividend that the subsidiary is paying to the parent company? I would like to know from you, sir. And coming to page number 95, sir, we have some contingent, small contingent liabilities spending with the three departments, three various forums, goods service and goods and service tax act and this is pending since 2017-18. So what proactive steps have been taken by the management to overcome the same and to settle the matter amicably? And nothing much to ask Sir. The company is doing really well. We

are glad we are proud shareholders of the company. And the company has given an outstanding performance during the year and all your hard work has translated into numbers. So we are really glad that company has outperformed. And we are really thankful to the entire board of directors for their sincere efforts in bringing the company to this particular extent and rewarding the minority shareholders in large numbers. Nothing much to ask, sir. I wish the company and the board of directors a great success and prosperity in the coming future. And thank you for giving the opportunity, sir. Hope to see you in the hybrid AGM next year. Thank you very much, sir.

- **Moderator:**

- Thank you, Mr. Abhishek. Mr. Aspi Besania. Mr. Besania?

- **Mr. Aspi Besania - Shareholder:**

- Yes, sir. Can you see me and hear me?

- **Moderator:**

- We can hear you. Yes, we can see you now. Yes.

- **Mr. Aspi Besania - Shareholder:**

- Okay. I am Aspi from Bombay. Thanks for giving me an opportunity to speak. The first basic question, I want to know when our company will turn around? Because even first quarter, there is a big loss. So how do you see that? When do you expect it to turn around? And today there are so many meetings online and physical also in Mumbai. So I do not want to talk anything more. Thank you very much and all the best for the future.

- **Moderator:**

- Thank you Besania ji. Mr. K.P. Venkat Ramakrishnan? Mr. Venkat Ramakrishnan?

- **Mr. K.P. Venkatramakrishnan - Shareholder:**

- Good afternoon, Chairman and other directors. This is K.P. Venkatramakrishnan here. I have only one question, sir. I understand that Thervoy Kandigai plant transition from Padi has been fully completed. Want to know what are the benefits that will accrue due to this transition, sir? Thank you.

- **Moderator:**

- Thank you, Mr. Ramakrishnan. We have completed the list of speaker shareholders. Request Chairman to continue the proceedings.

- **Mr. R. Gopalan – Chairman, Sundaram Clayton Limited:**

- I request Mr. Vivek Joshi, Director and CEO to reply to the questions raised by the shareholders.

- **Mr. Vivek Joshi - Director & CEO, Sundaram Clayton Limited:**

- Good afternoon. Thank you Chairman for your detailed speech. Thank you shareholders for attending and asking very pertinent and relevant questions. I will start with one question of Mr. Abhishek about number of employees in the company. We have a workforce of around 150 managers, around 350 plus executives and 730 union category team members and then, as required, the trainees and subcontract people. So, around the workforce, anywhere between 2,500 to 3,000, depending on the business situation.
- Moving on to the question of turnover by Mr. Besania. It is again a very relevant question. There are two components. One is India operations and the US operations and overall the economy. As far as the India operations are concerned, we have been really successfully working diligently, working with our export and domestic customers and continuously working on the reduction of non-value-added products and activities. As a result of all that, our results in India, if you see standalone, continue to be strong. Even the last year was a very good year. The first quarter, of course, the results in terms of EBITDA are better than the expected and we continue to work on getting the better results in this difficult dynamic scenario.
- When it comes to the US plant operations, we have a very strong team in US. We had the trouble in the beginning to establish the team there, especially when it comes to the attrition of the skilled labours and employees. We had trouble with respect to getting the right technicians for any process improvements and corrections. Finally, we had the trouble in getting the visas related to expats. Now all these three issues are behind us. We have been working very diligently. We have established a strong leadership team there. Our COO in India, Mr. Venkatesh, has been deputed to US last 8 months. He is there now and under him, there is a strong team of US as well as India. All of them are working very hard and making sure that our customers' product lines are operational. We have completed the PPAP or approval process of most of our production lines and they are working. The new 4400 ton machine has been established and started production. Both the products on that line are approved.
- Now when it comes to the economy, just as when we started production, we see kind of a major shift in the class 8 truck orders and the build rates as you could hear. And it is taking some time, it is going to take around 12 to 16 months for the turnaround of this class 8 orders in the US. As we work diligently on improving the productivity in the plant, I believe during this period, we will also be able to get our production to a range where US orders can be fulfilled as the class 8 trucks recover in the markets.
- In the meantime, as I already mentioned, we already have all the parts approved in the US and we will start getting the benefits of the additional revenue from the next financial years. So it looks like, it will take us another two to three quarters but we will be able to make a strong turnaround. I am confidently saying this based on the two very important factors. Number one, our customers are really supportive. They are working with us, hand-holding us. Our order book is very strong in the US and we are working on the products that are large and complex. So customers want us there. In the new geopolitical situation, in the tariff era, the presence in US, everyone wants including our key customers. So I am sure that we will get all the help and support of our teams and India team is also supporting the US plant, to turnaround by next year.
- Now coming back to the overall economic situation, by next year, as I mentioned, it looks like around 16 to 18 months it will take for overall markets of the commercial vehicles to show the growth. In the meantime, we are seeing a lot of uncertainty, a lot of downturn and inventory is being built up on the class 8 trucks. So it is going to take some time before we see the market turnaround. However, our

strong R&D efforts, our technical advances, structural parts, light-weighting are paying off and we are winning many good businesses from our customers.

- I hope with this I have answered most of the answers asked by the respected shareholders. If anything is remaining, I can explain that as well. Thank you.
- **Moderator:**
- Thank you, sir. Request Chairman Sir to continue the meeting.
- **Mr. R. Gopalan – Chairman, Sundaram Clayton Limited:**
- I thank all the shareholders for participating in the virtual AGM. The voting facility on the NSDL website will remain open up to 15 minutes from the conclusion of this meeting to enable the shareholders to cast their vote through e-voting. The results of e-voting will be declared on or before 8<sup>th</sup> August, 2025. The declared results will be made available on the websites of the company, stock exchanges and NSDL. That concludes the proceedings of the meeting and I thank you all for your participation and declare the meeting as closed. Thanks.
- *E-Voting in progress*

**END OF TRANSCRIPTION**