

PRESS RELEASE

RSB INAUGURATES ITS NEWEST PLANT IN LUCKNOW ADDS SEVENTH LOCATION TO ITS INDIAN FOOTPRINT

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RSB Transmissions, a fast growing engineering and technology organization with 12 state-of-the-art manufacturing Plants spread over 6 locations in India and one each in the USA (Homer, Michigan), Belgium (Tessenderlo) and Silao (Mexico), which designs and manufacturers systems aggregates used by automotive, construction and farm equipment sectors, inaugurated its newest 13th Plant in Lucknow on 16th April. With this RSB added a seventh different location to its Indian footprint.

The Plant located at Khandak village, on the outskirts of Lucknow and adjacent to Tata Motors was declared open by Chief Guest, Mr. S. B. Borwankar, Sr VP Manufacturing Operations (CVBU), Tata Motors (TML), along with Guest of Honour, Mr. Alok Saxena, Plant Head Tata Motors, Lucknow in the presence of Mr. RK Behera and Mr. SK Behera, Chairman and Vice Chairman & MD respectively of RSB Transmissions.

RSB is a leading global manufacturer of Propeller Shaft Systems & Components, an array of Axles including Front Axle, Trailer Axle, Tractor Axle, Dummy Axle & Axle Beam, Fully Finished Gears & Shafts and Transmission Components like Differential Cases, Yokes and Carriers. In the Construction Equipment segment, it is a leading manufacturer of heavy fabrications and aggregates like Frames, Arms, Booms and Buckets. Leading Indian and global auto companies like Tata Motors, Tata Hitachi, John Deere, Fiat, Ford, Allison Transmissions, AAM, Eaton, Magna, GKN, Caterpillar, Terex, Leyland, Komatsu, GE and Mahindra Group are RSB's customers both in India and overseas.

Inaugurating the Plant, Mr. Borwankar felicitated and complimented RSB for setting up the Plant in Lucknow and thereby demonstrating its deep commitment as a leading and important vendor to TML. He reiterated and hoped that the existing strong partnership between TML and RSB can only grow stronger in the days to come. He added that TML needs support from committed and quality vendors like RSB to enhance their position in the automotive business landscape in India. Having visited many RSB Plants in the past, Mr. Borwankar praised RSB for its excellent quality system, housekeeping and operating systems. He also lauded RSB for taking initiative to implement TQM and challenge Deming Prize soon.

Speaking on the occasion, Mr. RK Behera, the Chairman of the company explained that the Lucknow Plant is a dedicated facility for TML, Lucknow and this will enable RSB to deepen its engagement and serve Tata Motors better. Initially some of the existing products currently being supplied from other RSB locations to TML, Lucknow will be migrated to this Plant and subsequently it will take up manufacture of new products. This is a continuation of RSB's philosophy to follow the customer and grow and expand with the customers by providing it with local support. Mr. Behera also said that in today's competitive environment, quality and cost efficiency are the most important parameters to combat both domestic and global competition. He also highlighted that a culture of innovation is paramount to continuously focus on quality and

cost and become a market leader. Chairman, Mr. Behera further explained that that RSB's core philosophy is to satisfy the ultimate end customer. Hence, RSB always proactively collaborates and partners with all its customers (TML included) on resolution of quality issues and performance enhancement – be it related to design, material, production, manufacturing process or systems. This collaborative approach helps in enhancing the image of RSB's customers in the market place and in turn that of RSB's as well.

The Chairman also added that setting up the Plant in Lucknow, besides supporting TML, is also RSB's small contribution to bring about inclusive growth by proliferating manufacturing in locations starved of industry. Mr. Behera further added that it will facilitate local employment by providing and supporting educational initiatives in the neighbourhood to prepare them for the technical work.

Mr. Alok Saxena complimented RSB for setting up the Plant in Lucknow and appreciated the foresight of RSB in creating capacity ahead of time to support the growth of TML, Lucknow which will come up soon.

The former Pradhan (Mukhia) of the village Khandak thanked RSB for setting up the Plant in front of the village and requested RSB to employ people from the village in the Plant.

While rejoicing on the inauguration of the 13th Plant, Mr. SK Behera, the Vice Chairman & MD of the company explained RSB's deep engagement with TML by highlighting that the company has manufacturing facilities in all locations – Jamshedpur, Pune, Dharwad, Pantnagar and Lucknow – wherever TML or its associates have their units. He emphasized that the Lucknow Plant has been set up to serve Tata Motors better by delivering Propshafts and Axle Beams on JIT (Just in Time) basis. He further assured that RSB will script its growth story by participating and sharing in the growth story of TML. The Vice Chairman & MD also assured the villagers that RSB will take up CSR activities like providing primary health care and extending scholarships to deserving students to pursue higher studies.

To mark the opening of the Plant, Mr. Alok Saxena, Plant Head, TML, Lucknow, handed over the first PO (Purchase Order) of TML, Lucknow to the Vice Chairman & MD of RSB, Mr. SK Behera. The first consignment of the Propshafts from the Lucknow Plant was also flagged off in the hands of Mr. Ashish Sharma, Head Materials, TML, Lucknow.

In FY12, RSB is conservatively expected to post a top line of about INR 1500 crore. This will be about 28 % year-on-year growth. The company expects to maintain the momentum and grow at a CAGR of about 20 to 25 % for the next few years. Plans are in place to realize this ambitious target.

Signing off on a very optimistic note, Mr. Behera added that the automotive landscape in India is just unfolding; the future is vast and the opportunities are many (notwithstanding the occasional short term dips) waiting to be tapped by committed players and RSB is one of them with many ambitious plans in the drawing board.