

PRESS RELEASE

RSB EXPANDS ITS GLOBAL FOOTPRINT TO MEXICO

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RSB Transmissions, a fast growing engineering and technology organization with 12 state-of-the-art manufacturing Plants spread over 7 locations in India and one each in the USA and Belgium, which designs and manufacturers systems aggregates used by automotive, construction and farm equipment sectors, expanded its global footprint to Mexico and its 13th Plant at Silao, Guanajuato State of Central Mexico, the heart of Mexican automotive industry was inaugurated on April 27, 2011 by the Honourable Governor Juan Manuel Olivia Ramirez in the presence of many senior government and industry delegates.

Inaugurating the Plant, the Governor Olivia said that RSB Transmissions de Mexico the 156th automotive company in Guanajuato State would strengthen the competitiveness and global position of the automotive cluster of the State. He complimented RSB Group for choosing Guanajuato State and thus demonstrating its faith in the talent and commitment of the people of Guanajuato. The Governor also recognized that India with its perseverance is emerging as an economic power of 21st century and said that Guanajuato is following India's model of establishing knowledge and skill based economy.

Speaking on the occasion, Mr. RK Behera, the Chairman of the company highlighted that Mexico provides great opportunities and the potential. Mexico possesses a vibrant automotive industry. Presently, with annual production of vehicles in excess of 2 million numbers, it is the 10th largest automotive producer in the world and is projected to reach the top five in the next 6 years. Mexico is a trillion dollar economy with good macroeconomic environment. The financial and the banking system are robust and the inflation is modest. Its economy is highly globally integrated as it has free trade agreements with more than 50 countries – the highest in the world.

RSB is a leading global manufacturer of Propeller Shafts & Components, an array of Axles including Front Axle, Trailer Axle, Tractor Axle & Dummy Axle, 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.

In FY11, RSB rolled out an impressive performance, grew more than 64 % and achieved a top line of about INR 1040 crore or USD 231 million. The company expects to maintain the momentum and grow at a CAGR of about 30 to 35 % for the next few years. Plans are in place to realize this ambitious target.

Explaining the rational of Mexican foray, Mr. Sanjay Chadda, President of RSB North America, whose wholly owned subsidiary their components from Mexican auto component firms and there exists further potential to deepen this sourcing. Moreover, components could also be exported to the US. Mr. Chadda added that as the market study indicated that there was a shortage of good precision machining capacities in Mexico, RSB decided to leverage its both India and the US machining competencies and set up the Plant at Silao to manufacture transmission components like differential cases,

yokes, carriers and finished gears.

The Chairman declared, starting modestly, they would grow the Mexico business to a top line of USD 80 to 100 million in a period of 4 to 5 years. He further said “Our Mexico Plant is very strategic and critical for us in our vision to become a global organization. Having had bases in the US and Europe, we keenly desire to have a base in the Latin America region in which Mexico and Brazil are soon to become top economies in the world. Mexico is our gateway to Latin America”.

Leading Indian and global auto companies like Tata Group, John Deere, Fiat, Ford, Allison Transmissions, AAM, Eaton, Magna, GKN, Caterpillar, Terex, Leyland, Komatsu, GE, Mahindra Group and Hitachi are RSB’s customers both in India and overseas. Mr. Nishant Behera, Director, RSB Transmissions de Mexico, who conceived and planned the Mexico Project along with Mr. Chadda, added that the domestic customers in Mexico will be American Axle, Eaton, Magna, Getrag, GM and Chrysler who are already RSB’s customers in the US. It also intends to export to the parents of the above companies in the US and Canada. There are also plans to use the Mexican facility to export to Fiat in Brazil and Argentina, which are already customers of RSB India.

The Chairman Mr. Behera further added that the cost competitiveness of both India and Mexico, the huge market of the US and the emerging market potential in Latin America provide a perfect synergistic platform to grow the businesses in Mexico for the benefit of all the three countries.

Winding up the inauguration, Chairman Mr. Behera said “Mexico is our new home. We will endeavour to contribute to its prosperity slowly and steadily brick by brick”.