SUNDARAM-CLAYTON LIMITED

(formerly known as Sundaram-Clayton DCD Limited)

Sundaram-Clayton Limited *(formerly known as Sundaram-Clayton DCD Limited)* was incorporated on August 29, 2017 as a private limited company under the Companies Act, 2013 with the name 'TVS Commodity Financial Solutions Private Limited' and a certificate of incorporation dated August 30, 2017, was issued by the Registrar of Companies, Central Registration Centre. The name of our Company was changed to 'Sundaram-Clayton DCD Private Limited' pursuant to a special resolution passed by the shareholders of our Company on February 4, 2022, and a fresh certificate of incorporation dated February 8, 2022, was issued by the Registrar of Companies, Tamil Nadu at Chennai. Subsequently, our Company was converted from a private limited company to a public limited company and consequently renamed as 'Sundaram-Clayton DCD Limited' pursuant to a special resolution passed by the shareholders of our Company on February 10, 2022, and a fresh certificate of incorporation dated February 24, 2022, was issued by the Registrar of Companies, Tamil Nadu at Chennai. Further, the name was changed to the present name viz., Sundaram-Clayton Limited pursuant to the Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated March 6, 2023, and a fresh certificate of incorporation dated August 30, 2023, was issued by the Registrar of Companies, Tamil Nadu at Chennai. For further details, see "*General Information*" on page 491.

Registered and Corporate Office: "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.
Tel: 044-2833 2115; **Fax:** 044 2833 2113; **E-mail**: corpsec@sundaramclayton.com; **Website**: www.sundaram-clayton.com; **CIN:** L51100TN2017PLC118316
Contact Person: Mr. Dev Kishan P D, Company Secretary and Compliance Officer

Issue of up to 1,814,058 equity shares of face value ₹ 5 each of our Company ("**Equity Shares**") at a price of ₹ 2,205.00 per Equity Share, including a premium of ₹ 2,200.00 per Equity Share (the "**Issue Price**"), aggregating to ₹ 400.00 crores (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 35.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT")

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THISPLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THISPLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 43 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER) AND THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on October 7, 2024 was ₹ 2,276.15 and ₹ 2,273.00 per Equity Share, respectively. Our Company has received in-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue have been received from each of BSE and NSE on October 3, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to this Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinafter), as amended. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue have only been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 239. The distribution of this Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 255 and 263, respectively.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the BRLMs (as defined hereinafter) or any of its affiliates does not constitute nor form a part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated October 8, 2024.

BOOK RUNNING LEAD MANAGERS	
AMBIT PRIVATE LIMITED	**JM FINANCIAL LIMITED**

TABLE OF CONTENTS

NOTICE TO INVESTORS

The information contained in this Placement Document has been provided by our Company and from other sources identified herein. Our Company accepts full responsibility for all the information contained in this Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all the information with respect to us and the Equity Shares which is material in the context of the Issue. The statements contained in this Placement Document relating to us and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to us and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to us. There are no other facts in relation to us and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

Unless otherwise stated, all information in this Placement Document is provided as of the date of this Placement Document and neither our Company nor the BRLMs have any obligation to update such information to a later date and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company.

The BRLMs have made reasonable enquiries but have not separately verified all of the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their shareholders, employees, counsels, officers, directors, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or by any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information (financial, legal or otherwise) supplied in connection with us, the Issue and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of our Group and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs.

The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The distribution of this Placement Document and the Issue in certain countries or jurisdictions may be restricted by law. As such, this Placement Document does not constitute and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, except for in India, no action has been taken by our Company or the BRLMs that would permit an offering of the Equity Shares in the Issue or the distribution of this Placement Document in any country or jurisdiction where action for that purpose is required. Accordingly, the Equity Shares issued pursuant to the Issue may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any other materials issued in connection with the Issue may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. In particular, the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S. For the selling restrictions in certain other jurisdictions, see *"Selling Restrictions"* on page 255.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs specified by the BRLMs or their representatives and those persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

This Placement Document does not purport to contain all the information that any Eligible QIB may require in order to make an investment decision in relation to the Equity Shares offered in the Issue. In making an investment decision, the prospective investors must rely on their own examination of our Company, Subsidiaries and Associate and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of this Placement Document as legal, business, tax, accounting or investment advice. Prospective investors should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company and the BRLMs are not making any representation to any purchaser of the Equity Shares offered in the Issue regarding the legality or suitability of an investment in the Equity Shares by such purchaser under applicable legal, investment or similar laws or regulations. The prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each bidder, investor, subscriber or purchaser of the Equity Shares in the Issue shall be deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, Rule 14 of the PAS Rules and other provisions of the Companies Act, and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Prospective investors are advised to make their independent investigations and satisfy themselves that they are eligible to apply to purchase Equity Shares in the Issue. Prospective investors are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, prospective investors are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the SEBI Takeover Regulations and the prospective investors shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

Neither our Company nor the BRLMs are liable for any amendment or modification or change to applicable laws or regulations that may occur after the date of this Placement Document.

The information on our Company's website, www.sundaram-clayton.com, or any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of its affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on any such information contained in, or available through, any such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 255 and 263, respectively.

REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By bidding for and/or subscribing to any of the Equity Shares in this Issue, you are deemed to have represented, warranted, acknowledged and agreements set forth in "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 255 and 263, respectively, and to have represented, warranted and acknowledged to and agreed to our Company and the BRLMs as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries that is not set forth in the Preliminary Placement Document and this Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under applicable law in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in the Preliminary Placement Document and this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India and can participate in the Issue only under Schedule II of FEMA Rules, or (ii) a multilateral or bilateral development financial institution and you are eligible to invest in India under applicable laws, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws, in connection with the Issue. Since FVCIs are not permitted to participate in the Issue, you confirm that you are not an FVCI;

- You will provide the information as required under the Companies Act, the PAS Rules and applicable SEBI ICDR Regulations and rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. You confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended;

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. You hereby make the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 263;

- You are aware that the Preliminary Placement Document has not been and this Placement Document will not be filed as a prospectus with the RoC under the Companies Act, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) have not been reviewed, verified or affirmed by the SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- You are permitted, are entitled to and have the necessary capacity to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in the Preliminary Placement Document and this Placement Document), and will honour such obligations;

- You are aware that none of our Company, the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue.

- You agree that your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. You acknowledge that the BRLMs and any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs have advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable laws, including but not limited to the SEBI Insider Trading Regulations, SEBI PFUTP Regulations, each as amended, and the Companies Act;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- You acknowledge that all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. You acknowledge that such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You have not placed undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. You acknowledge that none of our Company, the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document, as applicable. However, you acknowledge that disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to you, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 43;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Company nor the BRLMs nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares);

- You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You and any managed accounts for which you are subscribing for the Equity Shares (i) are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment, (ii) are each able to bear the economic risk of the investment in the Equity Shares, including a complete loss on the investment in the Equity Shares, (iii) will not look to our Company and/or the BRLMs or any of their shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute and have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares acquired in the Issue;

- You are not a 'promoter' of our Company as defined under the Companies Act and the SEBI ICDR Regulations, and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoters or a person related to the Promoters;

- You acknowledge that in terms of Section 42 of the Companies Act and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs to whom the Preliminary Placement Document and this Placement Document has been circulated along with other particulars with the RoC within 15 days of circulation of the Preliminary Placement Document, and you agree that that we may disclose in those filings and you agree that we may disclose in such filings, your name, complete address, phone number, e-mail address, permanent account number and bank account details, and any such other details as may be prescribed or otherwise required;

- You acknowledge that you have no right to withdraw your Bid or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations as defined herein) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Eligible QIBs that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, undertaken to use its reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You acknowledge that the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any of their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in the Preliminary Placement Document and this Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in the Preliminary Placement Document and this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or their shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and *"Purchaser Representations and Transfer Restrictions"* on pages 255 and 263;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Issue, the Preliminary Placement Document or this Placement Document;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in the Preliminary Placement Document and this Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that the Preliminary Placement Document does not, and this Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be reclassified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares a land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the Government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and Rule 6 of the FEMA Rules;

- You acknowledge that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to you. You acknowledge that allotment of Equity Shares will be undertaken by our Company in its absolute discretion, in consultation with the BRLMs;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate;

- You agree to make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to “you” to include such accounts;

- You agree that each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue; and

- You acknowledge that our Company, the BRLMs, their affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs;

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**Offshore Derivative Instruments**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. The Preliminary Placement Document and this Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including without limitation, any information regarding any risk factors relating thereto.

For further details relating to investment limits of FPIs, see "*Issue Procedure*" on page 239. Offshore Derivative Instruments may be issued only in favour of those entities which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations. Pursuant to its circular dated June 10, 2016, SEBI has introduced additional requirements applicable to Offshore Derivative Instruments, including (i) KYC norms for issuers of Offshore Derivative Instruments which require identification and verification of beneficial owners of entities subscribing to the Offshore Derivative Instruments holding more than a prescribed threshold; (ii) the requirement for issuers to file suspicious transaction reports with the Indian Financial Intelligence Unit; and (iii) the requirement for the issuer to report details of intermediate transfers in the monthly reports on Offshore Derivative Instruments submitted to SEBI. An Eligible FPI shall also ensure that no further issue or transfer of any instrument referred to above is made by or on behalf of it to any person other than such entities regulated by appropriate foreign regulatory authorities.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, the Investment Restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of Offshore Derivative Instruments.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative

Instruments that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

Bidders interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any such Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore Derivative Instruments or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of the Preliminary Placement Document and this Placement Document;

2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company;

It should not, for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', ''your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue, references to "our Company", "the Company" or the "Issuer" are to Sundaram-Clayton Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Sundaram-Clayton Limited together with our Subsidiaries and Associate, on a consolidated basis.

Currency and units of presentation

In this Placement Document, (i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to official currency of Republic of India; (ii) references to 'US$', 'USD' and 'U.S. dollars' are to the official currency of the United States of America; and (iii) references to "EUR" or "€" are to Euro, the legal currency of the European Union. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Figures in this Placement Document have been presented in crores or in whole numbers where the numbers have been too small to present in crores unless stated otherwise. Further, certain figures in the "*Industry Overview*" section of this Placement Document have been presented in lakhs and million.

In this Placement Document, references to "crore(s)" represents "1,00,00,000", "million" represents "0.1 crore" or "1,000,000", "lakh(s)" represents "1,00,000" or "0.1 million" and "billion" represents "1,000,000,000" or "1,000 million" or "100 crore".

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless otherwise stated, all references to page numbers in this Placement Document are to page numbers of this Placement Document.

Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms "Fiscal(s)" or "Fiscal year(s)", or "Financial Year" or "FY", refer to the 12-month period ending March 31 of that particular year.

Our Company has published its Audited Consolidated Financial Statements as of and for Fiscal 2024, Standalone Financial Statements as of and for Fiscals 2023 and 2022, Proforma Condensed Combined Financial Statements as of and for the Fiscals 2024, 2023 and 2022, interim condensed consolidated financial statements for the quarter and three months ended June 30, 2024 and consolidated financial results for the quarter and three months ended June 30, 2024, in compliance with the SEBI Listing Regulations and should be read along with the respective reports issued thereon. As required under the applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

(i) audited consolidated financial statements of our Group as at March 31, 2024 prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**2024 Audited Consolidated Financial Statements**");

(ii) standalone financial statements of our Company as at March 31, 2023 and March 31, 2022, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Companies Act (collectively, the "**2023 & 2022 Audited Standalone Financial Statements**" and together with the 2024 Audited Consolidated Financial Statements, referred to as "**Audited Financial Statements**");

(iii) the proforma condensed combined financial statements consists of the proforma condensed combined balance sheet as at March 31, 2024, March 31, 2023, March 31, 2022 and the condensed proforma combined statement of profit and loss (including other comprehensive income), the proforma condensed combined statement of changes in equity and the proforma condensed combined statement of cash flows for the years then ended and selected explanatory notes, for the purpose of investor's awareness and presentation to investor. The applicable criteria on the basis of which our Company's management has compiled the proforma condensed combined financial statements, as required by the Management, are specified in Clause (11)(I)(B)(iii) of Part A of Schedule VI of the SEBI ICDR Regulations and described in the note 1 to the proforma condensed combined financial statements (the "**Proforma Condensed Combined Financial Statements**")

(iv) the interim condensed consolidated financial statements of our Group for the quarter and three months ended June 30, 2024, comprising of the condensed consolidated balance sheet as at June 30, 2024, the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and a summary of the material accounting policies and other explanatory information (the "**June 2024 Interim Condensed Consolidated Financial Statements**"); and

(v) the consolidated financial results of our Group for the quarter and three months ended June 30, 2024, prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulations 33 & 52 of the SEBI Listing Regulations (the "**June 2024 Consolidated Financial Results**");

For further information, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* on pages 281 and 89, respectively.

Our Company presents its financial statements under Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

Certain figures contained in this Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. All figures from or derived from the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results are in decimals and have been rounded off to two decimal points, as has been presented in the Audited Consolidated Financial Statements and the Unaudited Consolidated Financial Results. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parenthesis represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP financial measures

As used in this Placement Document, a non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Ind AS measures. From time to time, reference is made in this Placement Document to certain "non-GAAP financial measures", such as EBITDA and EBITDA Margin. Our management believes that EBITDA and other non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The non-GAAP financial measures described herein are not a substitute for Ind AS (or IFRS) measures of earnings and may not be comparable to similarly titled *measures* reported by other companies due to differences in the way these measures are calculated. In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates and other industry data pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations, industry publications and analysts and on data from other external sources, and on our knowledge of markets in which we compete. The statistical information included in this Placement Document relating to the various sectors in which we operate has been reproduced from various trade, industry and regulatory / government publications and websites, more particularly described in "*Industry Overview*" on page 119.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled *"Assessment of the Automotive die-casting market in India, USA and Europe"* ("**CRISIL Report**") dated September 2024, which is a report commissioned and paid for by our Company and prepared by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited, pursuant to an engagement letter dated August 16, 2024, in connection with the Issue.

CRISIL MI&A is not related in any manner to our Company, Promoters, Directors, Key Managerial Personnel or members of the Senior Management, Subsidiaries, or the BRLMs.

Further, information regarding market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, data from other external sources and knowledge of the markets in which we compete. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, neither the accuracy nor completeness of information contained in the CRISIL Report is guaranteed. The opinions expressed are not recommendations to buy, sell or hold an instrument. This data is subject to change and cannot be verified with complete certainty due to limitations on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

While we have taken reasonable care in the reproduction of the information from the CRISIL Report, neither we nor the Book Running Lead Managers have independently verified this market and industry data, nor do we or the Book Running Lead Managers make any representation regarding the accuracy or completeness of such data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organizations) to validate market-related analysis and estimates, so we have relied on internally developed estimates. Similarly, while we believe our internal estimates to be reasonable, such estimates have not been verified by any independent sources, and neither we nor the Book Running Lead Managers can assure potential Investors as to their accuracy.

The CRISIL Report contains the following disclaimer:

*"CRISIL Market Intelligence & Analytics (**CRISIL MI&A**), a division of CRISIL Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. CRISIL MI&A operates independently of CRISIL's other divisions and subsidiaries, including, CRISIL Ratings Limited. CRISIL MI&A's informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for client across diverse sectors and geographies. CRISIL MI&A's strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and governments for over three decades.*

For the preparation of this report, CRISIL MI&A has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India."

This information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in "*Our Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" on pages 201, 43 and 89, respectively, and otherwise in this Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the CRISIL Report. Data from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – 50. Certain sections of this Placement Document disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.*" on page 64.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

These forward-looking statements and any other projections contained in this Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- We generated almost all of our revenues for Fiscals 2024, 2023 and 2022 from our top 10 customers, and any loss or reduction of business from these customers could reduce our revenues and adversely affect our business, results of operations, financial condition, and cash flows.

- We have entered into general purchase agreements with our customers and rely on purchase orders issued by them from time to time for the sale of our products. If our customers choose not to source their requirements from us, there may be an adverse effect on our business, results of operations, financial condition and cash flows.

- We have not entered into any long-term contracts with our suppliers from whom we procure materials consumed by us for our manufacturing process. Any delay, interruption or reduction in the supply of raw materials to manufacture our products or volatility in the prices of raw materials, may adversely affect our business, results of operations, financial condition and cash flows.

- We derive a substantial portion of our revenues from the commercial vehicles segment in our product mix. Any decline in our revenue from the commercial vehicles segment may have an adverse effect on business, results of operations, financial condition, and cash flows.

- Our business is dependent upon the performance of the automotive industry. Any adverse changes in the conditions affecting the automotive industry can adversely affect our business, results of operations, financial condition and cash flows.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", "*Our Business*", *"Industry Overview"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 43, 201, 119 and 89, respectively.

By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither we, the BRLMs nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In any event, these statements included herein speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document. Our Company and the BRLMs expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward-looking statements or otherwise in our Company’s expectations with regard thereto.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a limited liability company incorporated under the laws of India. Except for Rajesh Narsimhan, Non-Executive Non-Independent Director, who is a resident of Singapore, all our Directors, Key Managerial Personnel and members of the Senior Management named in this Placement Document, are residents of India and a significant portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record, but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

The following territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Code by the Government: the United Kingdom; Aden; Fiji; Republic of Singapore; Federation of Malaysia; Trinidad and Tobago; New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa; Hong Kong; Papua New Guinea; Bangladesh; and United Arab Emirates. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our Company and the Book Running Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and other foreign currencies, for the periods indicated. The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on the website of the RBI and FBIL. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(₹ per US$)

	Period end(1)	**Average(2)**	**High(3)**	**Low(4)**
Fiscal ended:				
March 31, 2024	83.38	82.79	83.60	81.69
March 31, 2023	82.22	80.39	83.20	75.39
March 31, 2022	75.81	74.51	76.92	72.48
Month ended				
September 30, 2024	83.79	83.81	83.98	83.49
August 31, 2024	83.87	83.90	83.97	83.73
July 31, 2024	83.74	83.59	83.74	83.40
June 30, 2024	83.45	83.47	83.59	83.07
May 31, 2024	83.30	83.39	83.52	83.08
April 30, 2024	83.52	83.41	83.52	83.23

(Source: www.rbi.org.in and www.fbil.org.in)

1. *The price for the period end refers to the price as on the last trading day of the respective annual or monthly periods.*
2. *Average of the official rate for each Working Day of the relevant period.*
3. *Maximum of the official rate for each Working Day of the relevant period.*
4. *Minimum of the official rate for each Working Day of the relevant period.*
5. *If the FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed.*
6. *High, low and average are based on the RBI reference rates and rounded off to two decimal places.*

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "*Industry Overview*", "*Taxation*", "*Legal Proceedings*" and "*Financial Information*" on pages 119, 272, 276 and 281, respectively, shall have the meaning given to such terms in such sections.

General Terms

Term	Description
Our Company / the Company / the Issuer	Sundaram-Clayton Limited *(formerly known as Sundaram-Clayton DCD Limited)*, a company incorporated in India under the Companies Act, 2013, with its registered office situated at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India
the Group / us / we / our	Sundaram-Clayton Limited together with its Subsidiaries and Associate, Sundram Non-Conventional Energy Systems Limited, on a consolidated basis, unless otherwise specified or the context otherwise requires

Company Related Terms

Term	Description
2024 Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its subsidiaries and associate as of and for the Financial Year ended March 31, 2024, which has been prepared in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the consolidated balance sheet, consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement for the years then ended, and notes to the respective consolidated financial statements.
2023 & 2022 Audited Standalone Financial Statements	The audited standalone financial statements of our Company as of and for the Financial Years ended March 31, 2023 and March 31, 2022, which have been prepared in accordance with Ind AS, as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 to the extent applicable, each comprising of the standalone balance sheet, standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and the standalone cash flow statement for the years then ended, and notes to the respective standalone financial statements.
Associate	Sundram Non-Conventional Energy Systems Limited
Articles/ Articles of Association/ AoA	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 220
Auditors or Statutory Auditors	The statutory auditors of our Company, M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants
Board of Directors / Board	The board of directors of our Company or a duly constituted committee thereof
Chairman	The chairman of our Company being Rajarangamani Gopalan
Chairman Emeritus and Managing Director	The chairman emeritus and managing director of our Company being Venu Srinivasan
Chief Executive Officer	The chief executive officer of our Company being Vivek Shripad Joshi
Chief Financial Officer	The chief financial officer of our Company being Ajay Kumar
Chief Operating Officer	The chief operating officer of our Company being R Venkatesh

Term	Description
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Dev Kishan P D
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 220
CRISIL MI&A	CRISIL Market Intelligence & Analytics, a division of CRISIL Limited
CRISIL Report	Report titled *"Assessment of the Automotive die-casting market in India, USA and Europe"* dated September 2024, prepared by CRISIL Market Intelligence & Analytics ("**CRISIL MI&A**"), a division of CRISIL Limited
Director(s)	Director(s) on the Board of our Company, unless otherwise specified
Equity Shares	The equity shares of our Company of face value of ₹ 5 each
Equity Shareholders	Holders of equity shares of our Company, from time to time
Executive Director(s)	The executive directors of our Company, namely, Venu Srinivasan, Lakshmi Venu and Vivek Shripad Joshi
Independent Director(s)	The independent director(s) on the Board of our Company
June 2024 Consolidated Financial Results	The consolidated financial results of our Group for the quarter and three months ended June 30, 2024, prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standards 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act read with the relevant rules thereunder and other accounting principles generally accepted in India, and in compliance with Regulations 33 & 52 of the SEBI Listing Regulations
June 2024 Interim Condensed Consolidated Financial Statements	The interim condensed consolidated financial statements of our Group for the quarter and three months ended June 30, 2024, comprising of the condensed consolidated balance sheet as at June 30, 2024, the condensed consolidated statement of profit and loss (including other comprehensive income), the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and a summary of the material accounting policies and other explanatory information
Key Managerial Personnel / KMP(s)	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, as disclosed in "*Board of Directors and Senior Management*" on page 220
Managing Director	The managing director of our Company, being Lakshmi Venu
Material Subsidiary	Sundaram Holding USA Inc.
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of outstanding civil and tax litigation, involving our Company, Subsidiaries, Promoters and Directors, for the purpose of the Issue
Memorandum of Association / Memorandum / MoA	The memorandum of association of our Company, as amended from time to time
Monitoring Agency	CRISIL Ratings Limited
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 220
Non-Executive Director(s)	Non-executive non-independent directors of our Company. For details, see *"Board of Directors and Senior Management*" on page 220
Proforma Condensed Combined Financial Statements	The Proforma Condensed Combined Financial Statements consists of the proforma condensed combined balance sheet as at March 31, 2024, March 31, 2023, March 31, 2022 and the condensed proforma combined statement of profit and loss (including other comprehensive income), the proforma condensed combined statement of changes in equity and the proforma condensed combined statement of cash flows for the years then ended and selected explanatory notes, for the purpose of investor's awareness and presentation to investor. The applicable criteria on the basis of which our Company's management has compiled the Proforma Condensed Combined Financial Statements, as required by the Management, are specified in Clause (11)(I)(B)(iii) of Part A of Schedule VI of the SEBI ICDR Regulations and described in the note 1 to the Proforma Condensed Combined Financial Statements
Promoter(s)	The Promoters of our Company, namely, VS Trust (Venu Srinivasan, Trustee), Mr. Venu Srinivasan and T.V. Sundram Iyengar & Sons Private Limited^ ^ Our Board *vide* resolution dated February 9, 2024 and shareholders *vide* resolution dated April 25, 2024 have approved the re-classification of T.V. Sundram Iyengar & Sons Private Limited from Promoter category to public shareholder category ("**Re-classification**"). Post the aforesaid, an application for Re-classification was filed with the Stock Exchanges on May 17, 2024 which is currently pending with the Stock Exchanges.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations
QIP Committee	Qualified Institutional Placement Committee constituted by our Board for the purpose of the Issue.

Term	Description
Registered and Corporate Office	The registered and corporate office of our Company, located at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.
Registrar of Companies / RoC	The Registrar of Companies, Tamil Nadu at Chennai
Risk Management Committee	The risk management committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 220
Scheme of Arrangement	Composite scheme of arrangement amongst Sundaram-Clayton Limited ("**Transferee or Demerged Company**"), TVS Holdings Private Limited ("**Transferor Company-1**"), VS Investments Private Limited ("**Transferor Company-2**"), Sundaram-Clayton DCD Limited ("**Resulting Company**") and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions, approved by the National Company Law Tribunal, Division Bench – II, Chennai, *vide* order dated March 6, 2023. Pursuant to the Scheme of Arrangement, the name of the Transferee Company was changed to TVS Holdings Limited with effect from July 17, 2023 and the name of the Resulting Company was changed to Sundaram-Clayton Limited with effect from August 30, 2023.
Senior Management/ SMP(s)	Members of the senior management of our Company as determined in accordance with the Regulation 2(1)(bbbb) of the SEBI ICDR Regulations. For details, see *"Board of Directors and Senior Management"* on page 220
Shareholders	The holder(s) of Equity Shares or Preference Shares from time to time, unless otherwise specified in the context thereof
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Company, as disclosed in *"Board of Directors and Senior Management"* beginning on page 220
Subsidiaries	The subsidiaries of our Company, as on the date of this Placement Document, as described in "*Organisational Structure of our Company - Subsidiaries"* on page 231. However, for the purpose of financial information included in this Placement Document, "subsidiaries" would mean subsidiaries of our Company as at and for the relevant Fiscal/financial period.

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of Equity Shares in connection with the Issue, in consultation with the BRLMs following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms submitted by them and in compliance with Chapter VI of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	The issue and allotment of Equity Shares pursuant to this Issue
Allottee(s)	Bidders who are Allotted Equity Shares of our Company pursuant to this Issue
Application Form	The form (including any revisions thereof) which has been submitted by the Bidder for registering a Bid in the Issue during the Issue Period
Bid(s)	An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly.
Bid Amount	With respect to each Bidder, the price per Equity Share indicated in the Bid multiplied by the number of Equity Shares Bid for by a Bidder and paid by the Bidder in the Issue on submission of the Application Form
Bidder(s)	An Eligible QIB, who has made a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Bidding Period/ Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders submitted their Bids including any revision and/or modifications thereof
Book Running Lead Managers/ BRLMs	Ambit Private Limited and JM Financial Limited
CAN/ Confirmation of Allocation Note	Note or advice or intimation sent to Successful Bidders confirming the Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Successful Bidders
Closing Date	The date on which the Allotment of the Equity Shares issued pursuant to this Issue shall be made, i.e., on or about October 8, 2024
Designated Date	The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the

Term	Description
	Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later
Eligible FPI(s)	FPIs as defined under FEMA, the SEBI FPI Regulations and any other applicable laws, that were eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices and including persons who have been registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended, that were eligible to participate in this Issue and excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations
Eligible QIBs	QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that were eligible to participate in the Issue and which were not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, were not restricted from participating in the Issue under applicable law and is a resident of India or is an Eligible FPI participating through Schedule II of the FEMA Rules.
Escrow Account	The non-interest bearing, no-lien, current bank account titled *"Sundaram - Clayton Limited - QIP Escrow A/c"* opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Bid Amount payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue has been deposited and refunds, if any, shall be remitted to unsuccessful Bidders as set out in the Application Form
Escrow Bank	HDFC Bank Limited
Escrow Agreement	The escrow agreement dated October 3, 2024 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the Issue.
Floor Price	The floor price of ₹ 2,320.78 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Further, our Company has offered a discount of ₹ 115.78 per Equity Share, i.e., 4.99% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution dated August 13, 2024 and in accordance with Regulation 176(1) of the SEBI ICDR Regulations.
Gross Proceeds	The gross proceeds of the Issue that will be available to our Company
Issue	The offer, issue and Allotment of 1,814,058 Equity Shares of face value of ₹ 5 each at a price of ₹ 2,205.00 per Equity Share, including a premium of ₹ 2,200.00 per Equity Share, aggregating ₹ 400.00 crores pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Issue Closing Date	October 8, 2024 the last date up to which the Application Forms and the Bid Amount was accepted by our Company (or the BRLMs, on behalf of our Company)
Issue Opening Date	October 3, 2024, the date on which the acceptance of the Application Forms and the Bid Amount had commenced by our Company (or the BRLMs, on behalf of our Company)
Issue Price	A price per Equity Share of ₹ 2,205.00
Issue Size	The aggregate size of the Issue up to ₹ 400.00 crores
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which was available for Allocation to Mutual Funds
Net Proceeds	The aggregate proceeds from the Issue, after deducting expenses of the Issue. For further details regarding the use of the Net Proceeds, see "*Use of Proceeds*" on page 78
Placement Agreement	The placement agreement dated October 3, 2024 entered into between our Company and the BRLMs
Placement Document	This placement document dated October 8, 2024 issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Preliminary Placement Document / PPD	The preliminary placement document dated October 3, 2024 along with the Application Form issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder
Qualified Institutional Buyers / QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies

Term	Description
	Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014
Refund Amount	The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue
Relevant Date	October 3, 2024, the date of the meeting wherein the QIP committee decided to open the Issue
Stock Exchanges	Together, NSE and BSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Bid Amount along with the Application Form and who have been Allocated Equity Shares pursuant to the Issue
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India or a trading day of the Stock Exchanges, as applicable

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
BOLT	BSE On-line Trading
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CGST	Central Goods and Services Tax
CIN	Corporate identity number
Civil Code	The Indian Code of Civil Procedure, 1908
Companies Act/ Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Companies Act, 1956	The erstwhile Companies Act, 1956 along with the relevant rules issued thereunder
Competition Act	The Competition Act, 2002
Consolidated FDI Policy	The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility
CY	Calendar year
Depositories Act	The Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBITDA	EBITDA is calculated as net profit after tax, plus finance cost, depreciation and amortization expenses and tax expenses less other income
EBITDA Margin	EBITDA divided by revenue from operations
EGM	Extraordinary general meeting
EPS	Earnings per share
FBIL	Financial Benchmark India Private Limited
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal Year/ Fiscal/ FY	A period of 12 months ending March 31, unless otherwise stated
Form PAS-4	Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI/ Foreign Portfolio Investor(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.

Term	Description
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally accepted accounting principles
GoI/ Government	Government of India
GST	Goods and Services Tax
IAS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended
ICAI	The Institute of Chartered Accountants of India
Ind AS	Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act read with the IAS Rules
Income-tax Act/IT Act	The Income-tax Act, 1961
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Net worth	Paid up share capital plus all reserves and surplus (excluding revaluation reserves)
Non-Resident Indian(s)/ NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
P.A./ p.a.	Per annum
PAN	Permanent account number
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014
PAT	Profit after tax / profit for the respective period / year
PBT	Profit before tax
PFRDA	Pension Fund Regulatory and Development Authority
P-Notes	Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
ROCE	Return on capital employed
Rs. / ₹ / Rupees / Indian Rupees	The legal currency of India
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Portfolio Managers Regulations	The Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020
SEBI PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995
SEBI Research Analysts Regulations	The Securities and Exchange Board of India (Research Analysts) Regulations, 2014
SEBI Stock Brokers Regulations	The Securities and Exchange Board of India (Stock Brokers) Regulations, 1992
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEC	United States Securities and Exchange Commission
UIDAI	Unique Identification Authority of India
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S.$ / USD / U.S. dollar	United States Dollar, the legal currency of the United States of America
U.S. Securities Act	United States Securities Act of 1933, as amended
USA/ U.S./ United States	The United States of America

Term	Description
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Technical and Industry Terms

Term	Description
GDC	Gravity die casting
2W	Two wheeler
CMM	Coordinate measuring machines
CNC	Computer numerical control
CNG	Compressed natural gas
CT	Computed tomography
CV	Commercial vehicle
DSIR	Department of Scientific and Industrial Research
ESG	Environmental, social and governance
EV	Electric vehicle
FAME	Faster Adoption and Manufacturing of Hybrid and Electric Vehicles
GCW	Gross vehicle weight
HCV	Heavy commercial vehicle
HPDC	High-pressure die casting
IATF	International Automotive Task Force
ICE	Internal combustion engine
ICV	Individually constructed vehicle
IEC	International Electrotechnical Commission
ISO	International Organization for Standardisation
LCV	Light commercial vehicle
LPDC	Low-pressure die casting
MAV	Multi-axle vehicle
MCV	Medium commercial vehicle
MHDCV	Medium and heavy-duty commercial vehicle
MHGV	Medium and Heavy Goods Vehicle
MPV	Multi-purpose vehicle
MT	Metric tonnes
OEM	Original equipment manufacturer
PLI	Production linked incentive
PV	Passenger vehicle
R&D	Research and development
SEM	Scanning electron microscopy
SIPCOT	State Industries Promotion Corporation of Tamil Nadu
SPC	Statistical process control
SUV	Sport utility vehicle
TCO	Total cost of ownership
TPM	Total productivity management
ULCV	Upper-end light commercial vehicle
ZEV	Zero emission vehicle

SUMMARY OF BUSINESS

We are one of the leading manufacturers of aluminum die castings, focused on commercial vehicles and passenger vehicles. *(Source: CRISIL Report)* We were among the top three suppliers of aluminum castings in the commercial vehicles segment in India, with approximately 62% of our revenue having been generated from the medium and heavy commercial vehicles segment in Fiscal 2024. *(Source: CRISIL Report)* We offer a complete range of die casting processes, namely high-pressure die casting ("**HPDC**"), low-pressure die casting ("**LPDC**") and gravity die casting ("**GDC**"), which we believe makes us a one-stop shop for aluminum casting customers. As of June 30, 2024, we have produced more than 900 automotive components and have an employee base of over 3,500 employees.

We are a part of the TVS group which holds a prominent position in the manufacturing of two-wheelers, auto components and computer peripherals, along with being involved in the businesses of distribution of heavy commercial vehicles, passenger cars, finance, and insurance. *(Source: CRISIL Report)* We believe we are able to leverage the history and track record of the TVS group in the automotive industry as well as its international presence for our operations. We also believe that our relationship with the TVS group has contributed significantly to our technical knowledge and brand recognition.

Scheme of Merger and Demerger

Pursuant to a composite scheme of arrangement filed under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, the entire business of manufacturing non-ferrous gravity and pressure die castings ("**Demerged Undertaking**") of the erstwhile Sundaram-Clayton Limited (now known as TVS Holdings Limited) was demerged into our Company. As a part of the composite scheme of arrangement, the Demerged Undertaking was transferred to our Company with effect from August 11, 2023.

The die casting business has been in operation since 1962 and has achieved many milestones and has emerged as one of the leading solution providers in machined and sub-assembled aluminum castings. (*Source: CRISIL Report*) Our clientele includes world-leading original equipment manufacturers and tier 1 auto suppliers. (*Source: CRISIL Report*)

Product Offerings

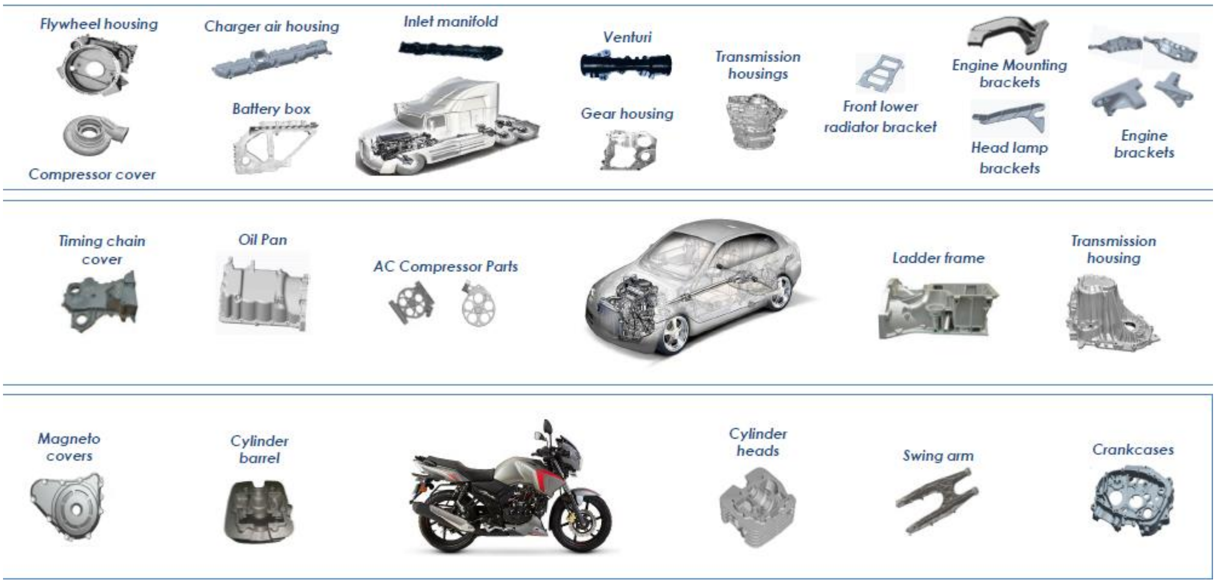
We aim to achieve customer satisfaction by offering a diversified range of high quality products. As of June 30, 2024, we offered more than 900 automotive components and sold more than 900 products across our product segments. Equipped with capabilities including HPDC, GDC and LPDC along with precision machining, we cover the entire value chain towards supplying aluminum die casting products for the automotive sector. Set forth below is our product portfolio across our product segments:

- *Commercial vehicles*: Flywheel housing, charger air housing, inlet manifold, venturi, transmission housings, front lower radiation bracket, engine mounting brackets, head lamp brackets, engine brackets, gear housing, battery box and compressor cover.

- *Passenger vehicles*: Timing chain cover, oil pan, air conditioner compressor parts, ladder frame and transmission housing.

- *Two-wheelers*: Crank case and structural parts such as magneto covers, cylinder barrel, cylinder head and swing arm.

Our illustrative product portfolio across our segments we cater to is set out below:



The table below sets out details of the revenue from sale of products and sales volume in relation to each of our product segments based on the Proforma Condensed Combined Financial Information:

Particulars	**Commercial Vehicles**			**Passenger Vehicles**			**Two-Wheelers**		
	Fiscal 2024	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**	**Fiscal 2024**	**Fiscal 2023**	**Fiscal 2022**
Revenue from sale of products (in ₹ crores)	1,388.58	1,281.92	1,064.21	383.13	339.04	233.68	390.58	404.86	359.28

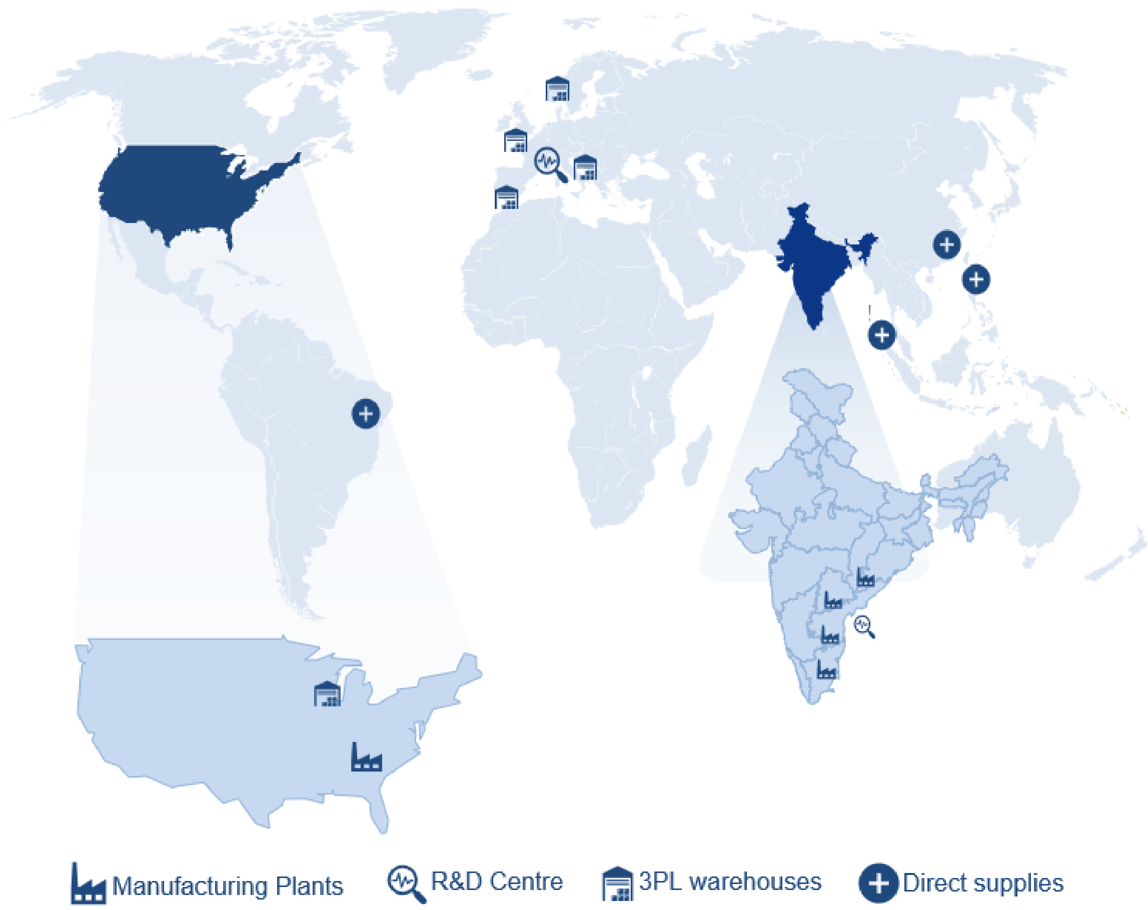
The table below sets out details of the revenue from sale of products in relation to each of our product segments based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	**Commercial Vehicles**	**Passenger Vehicles**	**Two-Wheelers**
	Three months ended June 30, 2024		
Revenue from sale of products (in ₹ crores)	373.95	95.37	105.21

Manufacturing Capabilities

As of June 30, 2024, we operate five manufacturing facilities that cater to the diverse needs of our customers. We are one of the few companies with a large die casting capacity, with four manufacturing plants in India and one manufacturing plant in the United States. (*Source: CRISIL Report*) Our manufacturing facilities have an annual aggregate installed capacity of 84,000 MT. Our global manufacturing footprint is supported by our design centres in India and Europe. With effect from September 5, 2024, we have also commissioned a new manufacturing facility at Thervoy Kandigai in Tamil Nadu, India.

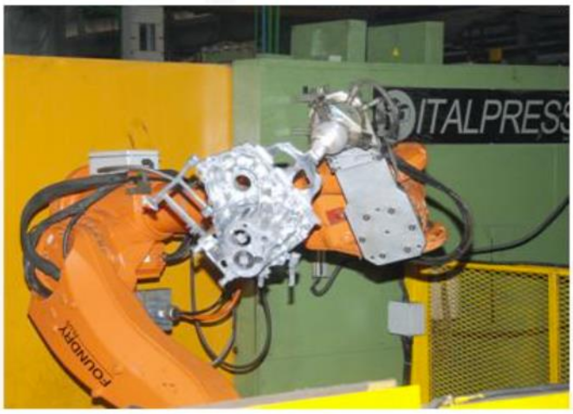
The image below sets forth the locations of our manufacturing facilities and our global presence:



Our integrated manufacturing facilities have advanced equipment for production, testing and quality assurance to produce a wide variety of aluminum castings using HPDC, LPDC and GDC technologies. At our recently commissioned manufacturing facility in Thervoy Kandigai in Tamil Nadu, India, we have put in place advanced automated manufacturing facilities with a focus on efficient material flow to comply with Industry 4.0 standards. Further, in our manufacturing facility in the United States, we are in the process of commissioning a 4,400 T machine, which will enable us to manufacture large complex parts to cater to the commercial vehicles segment.

The images below illustrates our manufacturing infrastructure:






Our manufacturing facilities comply with international quality standards and most of them have received ISO 14001:2015, ISO 45001:2018, ISO/IEC 27001: 2022 and IATF 16949 certifications. For details on our facilities, see "– *Business Operations – Manufacturing Facilities*" on page 213.

Research and Development

Integration of continuous learning and improvement in our operations enables us to gather the requisite technical knowhow. It helps us to reduce our product development lead time through in-house design competency ranging from advanced solid modelling to flow analysis software for rapid prototyping. We have established a research and development centre focusing on design aspects in Neckarsulm near Stuttgart, Germany, and one dedicated Department of Scientific and Industrial Research ("**DSIR**") approved research and development centre in Padi, Tamil Nadu, India. We have also established a design centre in the IIT (Madras) Research Park in Tamil Nadu, India.

Customer Base

We have a diversified customer base comprising marquee domestic and global original equipment manufacturers ("**OEMs**") in the automotive sector. The businesses of our customers are spread across North America, Europe, Japan and South America. Our key customers include Cummins, Hyundai Motors, Daimler and TVS Motor Company.

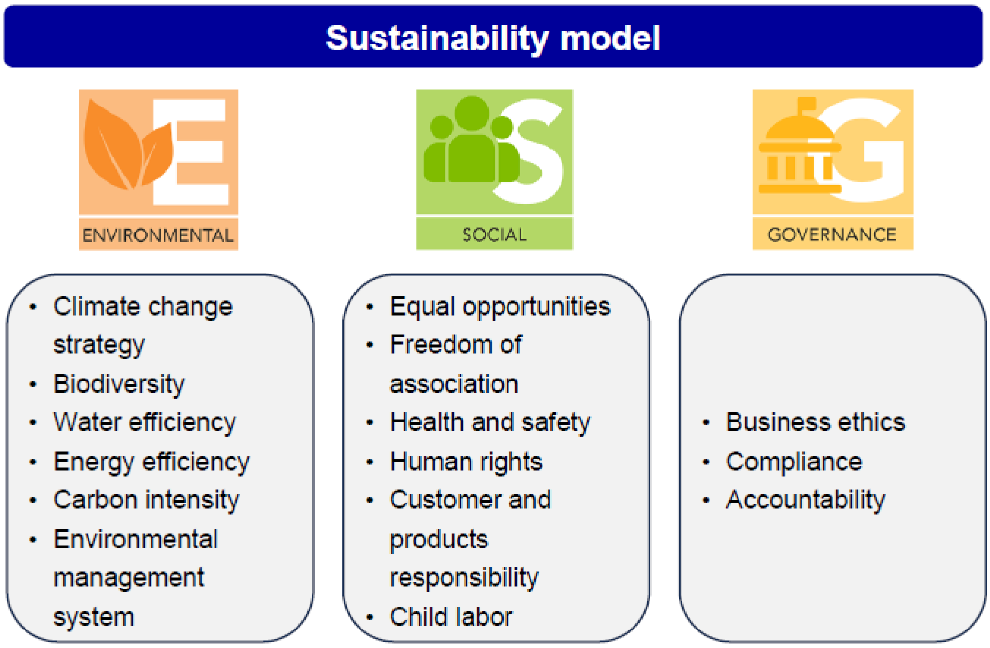
Almost all of our revenue from operations in Fiscals 2022, 2023 and 2024 was derived from our top 10 customers. We have been recognized by our customers for the high-quality of our products. For details of our recent awards, see "– *Awards and Accreditations*" on page 216. Our track record and extensive product portfolio have enabled us to retain existing customers and acquire new customers.

Management Team

We are led by a highly experienced board of directors, and a professional and experienced management team with extensive experience in the automotive industry and a proven track record of performance. We operate under the aegis of our Chairman Emeritus, Venu Srinivasan, who has significant experience in the automotive industry. He was conferred with the prestigious *Padma Bhushan* in 2021 and *Padma Shri* in 2010, the third and fourth highest civilian awards in India. Further, we were awarded the Deming prize and the Deming Grand prize in 1998 and 2002 under his guidance and leadership. He is also a recipient of the Deming Distinguished Service award for dissemination and promotion in India from JUSE in 2019. We have an experienced Board of Directors and our Managing Director, Dr. Lakshmi Venu, has significant experience in the automotive industry. As of June 30, 2024, we have more than 3,500 employees in our Company.

ESG Initiatives

We aim to accelerate the adoption of sustainable light alloy solutions globally. We have prioritized specific areas of focus from the United Nations' framework for our business and our interaction with the environment. We are in the process of developing long-term plans in partnership with Deustch Quality Systems for our sustainability initiatives. Set forth below are the ethos adopted by us in our sustainability model:



Further, we are working on sustainability initiatives to reduce our carbon footprint across our supply chains and be a carbon net zero company by 2040. We emphasise on the concepts of reuse, reduce and recycle in our operations for maximum resource utilization, along with the usage of renewable energy sources. For details, see "*– Business Operations - Health, Employee Safety and Environment*" on page 217.

Key Operational and Financial Metrics

The table below sets forth certain key operational and financial metrics for the periods indicated based on the Proforma Condensed Combined Financial Information:

Particulars	**As of and for the year ended March 31,**		
	2024	**2023**	**2022**
Revenue from Operations (₹ crores)	2,184.87	2,052.78	1,692.42
Revenue from Operations from Domestic Sales (₹ crores)	1,203.70	1,133.98	912.32
Revenue from Operations from Export Sales (₹ crores)	981.17	918.80	780.10
EBITDA(₹ crores) (1)	100.84	117.47	179.76
EBITDA Margin (%) (2)	4.62%	5.72%	10.62%
Profit / (loss) after Tax (₹ crores)	(169.42)	(107.84)	(16.60)
Profit / (loss) after Tax Margin (%) (3)	(7.75%)	(5.25%)	(0.98%)
Inventory Turnover Ratio(4)	3.00	2.80	2.49
Trade Receivables Turnover Ratio(5)	8.02	7.91	6.92
Trade Payables(₹ crores)	444.41	399.51	366.35
Fixed Asset Turnover Ratio(6)	1.21	1.33	1.16

Particulars	As of and for the year ended March 31,		
	2024	2023	2022
Return on Equity (%)(7)	(24.66%)	(13.29%)	(2.07%)
Return on Capital Employed(%) (8)	(3.46%)	(1.67%)	3.34%
Debt to Equity Ratio(9)	2.36	1.40	1.12

Notes:

1. *EBITDA is calculated as profit before tax plus finance costs and depreciation, amortization and impairment expense without deduction of other income.*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
3. *Profit / loss after Tax Margin is calculated as profit / loss after tax divided by revenue from operations.*
4. *Inventory Turnover Ratio is calculated as cost of goods sold (or cost of sales) divided by average inventory.*
5. *Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables.*
6. *Fixed Asset Turnover Ratio is calculated as revenue from operations divided by total fixed assets.*
7. *ROE is calculated as profit for the year divided by average shareholders' equity.*
8. *ROCE is calculated as EBIT divided by average capital employed. EBIT is calculated as profit before tax plus finance costs. Average capital employed is calculated as the average of opening and closing balance of capital employed and capital employed is calculated as total assets less current liabilities.*
9. *Debt to Equity Ratio is calculated as total debt (sum of current borrowings and non-current borrowings) without deduction of cash and cash equivalents divided by total equity.*

The table below sets forth certain key operational and financial metrics as of and for the three months ended June 30, 2024 based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	As of and for the three months ended June 30, 2024
Revenue from Operations (₹ crores)	580.43
Revenue from Operations from Domestic Sales (₹ crores)	307.91
Revenue from Operations from Export Sales (₹ crores)	272.52
EBITDA(₹ crores) (1)	14.37
EBITDA Margin (%) (2)	2.48%
Profit / (loss) after Tax (₹ crores)	(55.85)
Profit / (loss) after Tax Margin (%) (3)	(9.62%)
Inventory Turnover Ratio(4)	3.25
Trade Receivables Turnover Ratio(5)	7.83
Trade Payables(₹ crores)	489.30
Fixed Asset Turnover Ratio(6)	1.22
Return on Equity (%)(7)	NA
Return on Capital Employed(%) (8)	NA
Debt to Equity Ratio(9)	2.95

Notes:

1. *EBITDA is calculated as profit before tax plus finance costs and depreciation, amortization and impairment expense without deduction of other income.*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
3. *Profit / loss after Tax Margin is calculated as profit / loss after tax divided by revenue from operations.*
4. *Inventory Turnover Ratio is calculated as cost of goods sold (or cost of sales) divided by average inventory.*
5. *Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables.*
6. *Fixed Asset Turnover Ratio is calculated as revenue from operations divided by total fixed assets.*
7. *ROE is calculated as profit for the year divided by average shareholders' equity.*
8. *ROCE is calculated as EBIT divided by average capital employed. EBIT is calculated as profit before tax plus finance costs. Average capital employed is calculated as the average of opening and closing balance of capital employed and capital employed is calculated as total assets less current liabilities.*
9. *Debt to Equity Ratio is calculated as total debt (sum of current borrowings and non-current borrowings) without deduction of cash and cash equivalents divided by total equity.*

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including "*Risk Factors*", "*Use of Proceeds*", "*Placement and Lock-up*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 43, 78, 253, 239 and 269, respectively.

Issuer	Sundaram-Clayton Limited
Face value	₹ 5 per Equity Share
Issue Price	₹ 2,205.00 per Equity Share (including a premium of ₹ 2,200.00 per Equity Share)
Floor Price	₹ 2,320.78 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Further, our Company has offered a discount of ₹ 115.78 per Equity Share, i.e., 4.99% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution dated August 13, 2024 and in accordance with Regulation 176(1) of the SEBI ICDR Regulations.
Issue Size	Issue of up to 1,814,058 Equity Shares, aggregating to ₹ 400.00 crores, including a premium of ₹ 2,200.00 for each Equity Share. A minimum of 10% of the Issue Size, i.e., at least 1,81,406 Equity Shares was available for Allocation to Mutual Funds only and the balance 1,632,652 Equity Shares was available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs.
Date of Board resolution authorizing the Issue	July 3, 2024
Date of Shareholders' resolution authorizing the Issue	August 13, 2024
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 269 and 88.
Eligible Investors	Eligible QIBs, to whom the Preliminary Placement Document and the Application Form were delivered and who were eligible to bid and participate in the Issue. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 239, 255 and 263, respectively. The list of Eligible QIBs to whom the Preliminary Placement Document and Application Form have been delivered has been determined by our Company in consultation with the BRLMs.
Equity Shares issued and outstanding immediately prior to the Issue	20,232,104 Equity Shares
Equity Shares issued and outstanding immediately after the Issue	22,046,162 Equity Shares
Issue procedure	This Issue was made only to Eligible QIBs in reliance on Section 42 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 239.
Listing and trading	Our Company has obtained in-principle approvals from the BSE and the NSE each dated October 3, 2024, respectively, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue.

<table>
<tr><td></td><td colspan="2">The trading of the Equity Shares would be in dematerialized form and only in the cash segment of each of the Stock Exchanges.

Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.</td></tr>
<tr><td>Lock-up</td><td colspan="2">For details of the lock-up, see “Placement and Lock-up” on page 253.</td></tr>
<tr><td>Proposed Allotees</td><td colspan="2">See “Details of Proposed Allottees” on page 493, for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.</td></tr>
<tr><td>Transferability restrictions</td><td colspan="2">The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See “Issue Procedure”, “Selling Restrictions” and “Purchaser Representations and Transfer Restrictions” on pages 239, 255 and 263, respectively.</td></tr>
<tr><td>Use of proceeds</td><td colspan="2">The Gross Proceeds from the Issue aggregates to ₹ 400.00 crores. The Net Proceeds from the Issue, after deducting estimated expenses of the Issue of approximately ₹ 19.00 crores, will be approximately ₹ 381.00 crores.

See “Use of Proceeds” on page 78 for information regarding the use of Net Proceeds from the Issue.</td></tr>
<tr><td>Risk factors</td><td colspan="2">See “Risk Factors” on page 43 for a discussion of risks you have considered before investing in the Equity Shares.</td></tr>
<tr><td>Taxation</td><td colspan="2">See “Taxation” on page 272 for the statement of possible tax benefits available to our Company and its Shareholders.</td></tr>
<tr><td>Closing Date</td><td colspan="2">The Allotment of the Equity Shares is expected to be made on or about October 8, 2024.</td></tr>
<tr><td>Ranking</td><td colspan="2">The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank pari passu in all respects with the existing Equity Shares of our Company, including rights in respect of voting rights and dividends.

The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Our Shareholders may attend and vote in shareholders’ meetings on the basis of one vote for every Equity Share held in accordance with the provisions of the Companies Act. See “Description of Equity Shares” on page 269</td></tr>
<tr><td>Voting Rights</td><td colspan="2">See “Description of Equity Shares” on page 269</td></tr>
<tr><td rowspan="3">Security codes / symbols for the Equity Shares</td><td>ISIN</td><td>INE0Q3R01026</td></tr>
<tr><td>BSE Code</td><td>544066</td></tr>
<tr><td>NSE Symbol</td><td>SUNCLAY</td></tr>
</table>

SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Financial Statements, Proforma Condensed Combined Financial Statements, June 2024 Interim Condensed Consolidated Financial Statements and June 2024 Consolidated Financial Results and are to be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 89 and 281, respectively.

[The remainder of this page has intentionally been left blank]

SUMMARY OF CONSOLIDATED BALANCE SHEET

(in ₹ crores, unless stated otherwise)

Particulars	As at June 30, 2024	As at		
		March 31, 2024	March 31, 2023	March 31, 2022
	June 2024 Interim Condensed Consolidated Financial Statements	Proforma Condensed Combined Financial Statements		
ASSETS:				
Non-current assets				
(a) Property, plant and equipment	1,451.43	1,473.43	1,470.50	1,389.59
(b) Capital work in progress	454.09	330.10	77.81	64.40
(c) Other intangible assets	0.51	0.49	0.73	0.58
(d) Investments	26.05	25.90	9.67	10.47
(e) Other financial assets	10.05	9.53	8.92	11.90
(f) Other non-current assets	70.41	52.05	44.21	33.33
Current Assets				
(a) Inventories	396.51	370.67	410.98	394.17
(b) Trade receivables	300.51	292.88	252.29	266.83
(c) Cash and cash equivalents	23.37	14.42	103.75	123.61
(d) Other Bank Balances	0.04	10.42	-	-
(e) Other financial assets	30.16	26.45	10.17	7.51
(f) Other current assets	91.51	67.62	22.75	22.95
TOTAL ASSETS	**2,854.64**	**2,673.96**	**2,411.78**	**2,325.34**
EQUITY AND LIABILITIES:				
Equity				
(a) Equity share capital	10.12	10.12	10.12	10.12
(b) Other equity	532.67	590.04	763.97	547.25
(c) Non Controlling Interest	-	-	-	291.31
Total Equity	**542.79**	**600.16**	**774.09**	**848.68**
Non-current liabilities				
(a) Borrowings	949.96	755.47	799.18	595.07
(b) Lease liability	4.83	3.78	7.68	20.14
(c) Other financial liabilities	-	-	10.68	10.56
(d) Provisions	18.34	17.86	11.08	16.05
(e) Deferred tax liabilities (Net)	17.57	16.94	27.74	33.08
(f) Other non-current liabilities	8.61	10.84	-	-
Current liabilities				
(a) Borrowings	653.94	661.90	282.66	359.28
(b) Lease liability	2.99	4.57	17.30	15.42
(c) Trade payables	489.30	444.41	399.51	366.35
(d) Other financial liabilities	54.80	57.51	52.90	31.12
(e) Other current liabilities	52.62	51.86	19.38	21.21
(f) Current tax liability	3.75	2.19	-	-
(g) Provisions	55.14	46.47	9.58	8.38
Total Liabilities	**2,311.85**	**2,073.80**	**1,637.69**	**1,476.66**
TOTAL EQUITY AND LIABILITIES	**2,854.64**	**2,673.96**	**2,411.78**	**2,325.34**

SUMMARY OF CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(in ₹ Crores, unless stated otherwise)

Particulars	For the three months period ended	For the year ended		
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
	June 2024 Interim Condensed Consolidated Financial Statements	Proforma Condensed Combined Financial Statements		
INCOME				
Total Revenue from operations (I)	580.43	2,184.87	2,052.78	1,692.42
Other Income (II)	4.52	36.07	10.20	3.61
Total Income (I+II=III)	**584.95**	**2,220.94**	**2,062.98**	**1,696.03**
EXPENSES				
(a) Cost of materials consumed	326.12	1,189.60	1,130.63	956.04
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(14.57)	(18.04)	(2.01)	(85.33)
(c) Employee benefits expenses	99.89	338.43	277.87	195.84
(d) Finance costs	26.19	89.40	60.05	46.39
(e) Depreciation, amortisation and impairment	38.11	153.43	143.88	130.72
(f) Other expenses	159.23	604.08	521.89	436.36
Total expenses (IV)	**634.97**	**2,356.90**	**2,132.31**	**1,680.02**
Profit/(loss) before exceptional items, net profit of investment and tax (III-IV=V)	**(50.02)**	**(135.96)**	**(69.33)**	**16.01**
Share of net profit from associates using equity method (VI)	0.09	0.64	(0.03)	0.12
Profit/(Loss) before exceptional items and tax (V+VI =VII)	**(49.93)**	**(135.32)**	**(69.36)**	**16.13**
Exceptional items - income / (expense) (VIII)	-	(6.67)	(17.10)	(13.48)
Profit/(Loss) before tax (VII+VIII = IX)	**(49.93)**	**(141.99)**	**(86.46)**	**2.65**
Tax Expenses				
(a) Current Tax	4.87	36.27	27.48	16.54
(b) Deferred Tax	1.05	(8.84)	(6.10)	2.71
(c) Tax for earlier years	-	-	-	-
Total Income tax expense (X)	**5.92**	**27.43**	**21.38**	**19.25**
Profit/(loss) for the period (IX-X=XI)	**(55.85)**	**(169.42)**	**(107.84)**	**(16.60)**
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
(a) Re-measurement gains/(losses) on defined benefit plans	(1.67)	(4.12)	1.53	(8.71)
(b) Income tax relating to above items	0.42	1.43	(0.38)	2.19
Items that will be reclassified to profit or loss				
(c) Transactions relating to Derivative instruments & Foreign currency translation reserve	(0.27)	-	49.39	23.90
(d) Income tax relating to above items	-	-	(0.39)	(1.48)

Particulars	For the three months period ended	For the year ended		
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
	June 2024 Interim Condensed Consolidated Financial Statements	Proforma Condensed Combined Financial Statements		
Other Comprehensive Income for the period (XII)	**(1.52)**	**(2.69)**	**50.15**	**15.90**
Total Comprehensive Income for the period (XIII = XI+XII)	**(57.37)**	**(172.11)**	**(57.69)**	**(0.70)**
Earnings per equity share (Face value ₹ 5 each)				
Basic EPS (₹)	(27.60)	(83.74)	(53.31)	(8.21)
Diluted EPS (₹)	(27.60)	(83.74)	(53.31)	(8.21)

SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(in ₹ Crores, unless stated otherwise)

Particulars	For the three months period ended	For the year ended		
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
	June 2024 Interim Condensed Consolidated Financial Statements	Proforma Condensed Combined Financial Statements		
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/(loss) before tax	(49.93)	(141.99)	(86.46)	2.65
Adjustments for:				
Depreciation and amortisation for the period	38.11	153.43	143.88	130.72
Loss on sale/scrapping of property, plant and equipment	0.27	0.06	-	3.89
Profit on sale of property, plant and equipment	(0.01)	(0.27)	(0.26)	(0.11)
Unrealised exchange (gain) / loss	0.86	(2.11)	(8.89)	(2.42)
Dividend income	-	(0.42)	-	-
Interest income	(0.42)	(1.83)	(0.97)	(1.08)
Fair value of financial assets & financial liabilities	-	-	-	0.40
Interest expense	26.19	89.40	60.05	46.39
Profit on sale of investments	(0.09)	-	(0.08)	-
Net (profit)/ loss from Associate using equity method	-	(0.64)	-	-
Other adjustments	(0.27)	-	-	-
Operating profit before working capital changes	14.71	95.63	107.27	180.44
Adjustment for increase / decrease in working capital				
Inventories	(25.84)	40.31	(16.81)	(88.47)
Trade Receivables	(8.40)	(40.59)	14.54	(44.60)
Other financial assets	(4.23)	(16.89)	0.32	6.44
Other bank balances	10.38	(10.42)	-	-
Other non-current assets	(18.36)	(7.84)	(10.88)	(12.85)
Other current assets	(23.89)	(44.87)	0.20	1.72
Trade Payables	44.71	46.48	33.16	94.08
Provisions	7.48	39.55	(3.77)	5.22
Other financial liabilities (excluding current maturities of debt)	1.08	(18.14)	31.43	(15.27)
Other non-current liabilities	(2.23)	10.84	-	-
Other current liabilities	0.76	32.48	(1.83)	(5.20)
Cash generated from operations	(3.83)	126.54	153.63	121.51
Income tax paid (net)	(3.31)	(34.08)	(27.48)	(16.54)
Net cash (used)/generated by operating activities (A)	**(7.14)**	**92.46**	**126.15**	**104.97**
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property, plant and equipment (including Capital work in progress)	(146.17)	(409.26)	(187.50)	(100.10)
Sale of property, plant and equipment	5.79	1.06	0.56	0.49
Purchase of investments	(0.06)	(16.23)	-	(0.02)
Proceeds from Sale of investments	-	-	0.77	-

Particulars	For the three months period ended	For the year ended		
	June 30, 2024	March 31, 2024	March 31, 2023	March 31, 2022
	June 2024 Interim Condensed Consolidated Financial Statements	Proforma Condensed Combined Financial Statements		
Net gain on sale of Investments	-	-	0.08	-
Net Movement in Associate Investment	0.09	0.64	(0.85)	(0.47)
Interest received	0.42	1.83	0.97	1.08
Dividend received	-	0.42	-	-
Net cash (used in) / generated by investing activities (B)	**(139.93)**	**(421.54)**	**(185.97)**	**(99.02)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Term loans availed/(repaid)	194.49	149.38	121.48	14.59
Net Proceeds / (Repayment) from short term borrowings	(7.96)	186.15	6.01	42.31
Interest paid	(19.52)	(86.89)	(60.05)	(46.39)
Interim Dividend paid	(10.38)	-	-	-
Net Impact on account of de-merger as per Ind AS 103	-	8.60	(16.90)	93.69
Repayment of lease liabilities	(0.61)	(17.49)	(10.58)	(7.64)
Net cash (used)/generated in financing activities (C)	**156.02**	**239.75**	**39.96**	**96.56**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**8.95**	**(89.33)**	**(19.86)**	**102.51**
Cash and cash equivalents at the beginning of the period	14.42	103.75	123.61	21.10
Cash and cash equivalents at the end of the period	**23.37**	**14.42**	**103.75**	**123.61**

RISK FACTORS

An investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India and other jurisdictions we operate in. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are not currently deemed material, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the price of our Equity Shares could decline, and investors may lose all or part of their investment. In order to obtain a more detailed understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 201, 119, and 89, respectively, as well as the other financial information contained in this Placement Document. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved.

Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors in our Equity Shares should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment in India, which may differ in certain respects from that of other countries.

Some of the information in this Placement Document, especially information with respect to our plans and strategies, includes certain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in, or implied by, forward looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for as at and for the years ended March 31, 2022, 2023 and 2024 has been derived from our Proforma Condensed Combined Financial Information included in this Placement Document. Further, the financial information included in this section for as at and for the three months ended June 30, 2024 is derived from the June 2024 Interim Condensed Consolidated Financial Statements. For further information, see "Financial Information" on page 281. Also, see "Definitions and Abbreviations" on page 22 for certain terms used in this section.

Unless the context otherwise requires, references to "our Company" are to Sundaram-Clayton Limited on a standalone basis, while references to "we", "us" or "our" (including in the context of any financial or operational information) are to Sundaram-Clayton Limited and its Subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of the Automotive die-casting market in India, USA and Europe" dated September 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics (CRISIL MI&A), exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Issue. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. For further information, see "– 50. Certain sections of this Placement Document disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 64.*

Internal Risk Factors

1. ***We generated almost all of our revenues for Fiscals 2024, 2023 and 2022 from our top 10 customers, and any loss or reduction of business from these customers could reduce our revenues and adversely affect our business, results of operations, financial condition, and cash flows.***

   We derive a significant portion of our revenue from a limited numbers of customers. For instance, in Fiscal 2024, we relied on our sales to TVS Motor Company and Cummins for more than 40% of our revenue from operations. The loss of all or a significant portion of sales to any of such key customers, for any reason (including the loss of contracts or inability to negotiate favourable terms, failure to meet their quality specification, technological changes, a decline in market share of these customers in their respective industries or high growth segments, disputes with these customers, adverse changes in their financial condition, insolvency or bankruptcy of these customers, decrease in their sales, facility closures, any action undertaken by the government affecting business of these customers, or labour strikes affecting their production), could have an adverse impact our business, results of operations, financial condition, and cash flows.

   Further, the volume and timing of sales to our key customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. These customers may change their outsourcing strategy by moving more work in-house, replace us with our competitors, or replace their existing products with alternative products, components of which we do not supply. Also, these customers may demand price reductions and there is no assurance that we will be able to offset any reduction of prices to these customers with reductions in our costs or by acquiring new customers. While we have not faced any such instances of loss of our key customers in the past three Fiscals and the three months ended June 30, 2024, the loss of any one or more of such key customers or a substantial reduction in demand from such key customers in the future could have an adverse effect on our business, results of operations, financial condition, and cash flows.

2. ***We have entered into general purchase agreements with our customers and rely on purchase orders issued by them from time to time for the sale of our products. If our customers choose not to source their requirements from us, there may be an adverse effect on our business, results of operations, financial condition and cash flows.***

   We have entered into long-term general purchase agreements with all of our customers for the sale of our products. These general purchase agreements have a tenure of three to four years. However, we typically rely on purchase orders issued by our customers from time to time that set out the price per unit of the products that are to be supplied to/ purchased by them from us. Pursuant to the purchase order, our customers provide us the quantities of units to be supplied along with the delivery schedules specifying the details of delivery. Further, since the purchase agreements do not bind customers to any specific products, specifications, purchase volumes or duration, they can be terminated by these customers with or without cause and without compensation. Under the agreements, these customers provide us only with forecast volume for the product and there is no commitment on the part of the customer to purchase the quantities specified in the volume projections or to place new orders with us and as a result, our sales from period to period may fluctuate as a result of changes in our customers' supplier preference. Such volume projections are based on a number of economic and business factors, variables and assumptions, some or all of which may change or may not be accurate.

   While there has not been any instance of termination of relationships by our customers that have materially affected our operations in the past three Fiscals and the three months ended June 30, 2024, there is no assurance that such instance will not arise in the future. Any such instance in the future may have an adverse effect on our business, results of operations, financial condition and cash flows.

3. ***We have not entered into any long-term contracts with our suppliers from whom we procure materials consumed by us for our manufacturing process. Any delay, interruption or reduction in the supply of raw materials to manufacture our products or volatility in the prices of raw materials, may adversely affect our business, results of operations, financial condition and cash flows.***

   We do not have long-term contracts with any of our suppliers for the purchase of raw materials. We typically source such raw materials by placing purchase orders from time to time. The primary raw material that we use to manufacture our products is aluminum. In the absence of long-term contracts, we cannot assure you that we will be able to continue to obtain adequate or continuous supplies of our raw materials, in a timely manner or at all, in the future.

Any reductions or interruptions in the supply of raw material, and any inability on our part to find alternate sources for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner. We may also be required to replace a supplier if its products do not meet our quality standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

Further, prices of certain raw materials we rely on, such as aluminium, are linked to commodity markets and thus subject to fluctuation. While our arrangements with customers allow us to seek an upward revision in pricing, our cash flows may still be adversely affected because of any gap in time between the date of procurement of those primary raw materials and date on which we can reset the prices for our customers, to account for the increase in the prices of such raw materials. Our ability to pass through raw materials costs or otherwise mitigate these cost increases could adversely affect our business. From time to time, commodity prices may also fall rapidly. If this happens, suppliers may withdraw capacity from the market until prices improve which may cause periodic supply interruptions. If these supply interruptions occur, our costs for procuring our primary raw material could increase, and our business, results of operations, cash flows and financial condition may be adversely affected. Further, any increase in prices of raw materials could have an impact on our working capital as we would require additional funds to procure the necessary aluminum at higher prices. As a result, we may be required to allocate a larger portion of our working capital towards purchasing raw materials to maintain our production levels. This increased allocation towards purchase of raw materials can potentially strain our working capital availability.

With respect to our exports, the exchange rates for some of our contracts are periodically re-negotiated for fluctuations. While sourcing of a majority of our raw materials is domestic, some of the export contracts may link the raw material prices to overseas commodity exchange rates. For such contracts, any difference in domestic prices for raw materials vis-à-vis the prevailing prices on overseas commodity exchange are absorbed by us, which increases our costs in procuring our raw materials. Any such occurrence in the future may adversely affect our business, results of operations, cash flows and financial condition. Further, our business, financial condition and results of operations may also be significantly impacted due to an adverse impact on the prices of other raw materials imported by us, namely aluminum alloy, ‘O’ rings, gasket, rubber seals and fasteners and select dies and tools.

While we have not faced any instances in the past three Fiscals and the three months ended June 30, 2024 wherein cost or disruption in supply of our raw material adversely affected our operations, we cannot assure you that we will not face any such instances in the future. Any such occurrence in the future may adversely affect our business, results of operations, cash flows and financial condition.

4. ***We derive a substantial portion of our revenues from the commercial vehicles segment in our product mix. Any decline in our revenue from the commercial vehicles segment may have an adverse effect on business, results of operations, financial condition, and cash flows.***

Our product segments comprise components for commercial vehicles, passenger vehicles and two-wheelers. We derive a substantial portion of our revenues from components for commercial vehicles in our product mix. The table below sets out the revenues generated from each of our product segments and as a percentage of our revenue from operations in Fiscals 2024, 2023 and 2022, based on the Proforma Condensed Combined Financial Information:

Product Segments	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ crores)	**Percentage of Revenue from Operations (%)**	**Amount (₹ crores)**	**Percentage of Revenue from Operations (%)**	**Amount (₹ crores)**	**Percentage of Revenue from Operations (%)**
Commercial vehicles	1,388.58	64.22%	1,281.92	63.28%	1,064.21	64.22%
Passenger vehicles	383.13	17.72%	339.04	16.74%	233.68	14.10%
Two-wheelers	390.58	18.06%	404.86	19.98%	359.28	21.68%
Revenue from Sale of Products	**2,162.29**	**100.00%**	**2,025.82**	**100.00%**	**1,657.17**	**100.00%**

The table below sets out the revenues generated from each of our product segments and as a percentage of our revenue from operations in the three months ended June 30, 2024 based on the June 2024 Interim Condensed Consolidated Financial Statements:

Product Segments	Three months ended June 30, 2024	
	Amount (₹ crores)	Percentage of Revenue from Operations (%)
Commercial vehicles	373.95	65.09%
Passenger vehicles	95.37	16.60%
Two-wheelers	105.21	18.31%
Revenue from Sale of Products	**574.53**	**100.00%**

The sales, volumes and prices of our products are significantly influenced by the cyclicality and seasonality of the automotive industry. For details, see *"- Our business is dependent upon the performance of the automotive* industry. *Any adverse changes in the conditions affecting the automotive industry can adversely affect our business, results of operations, financial condition and cash flows"* below. Accordingly, if there is a significant decline in demand for commercial vehicles, it could adversely affect our business, results of operations, financial condition, and cash flows. While we have not experienced any material decline in our sale of components for commercial vehicles in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that we will not face any such decline in the future.

5. ***Our business is dependent upon the performance of the automotive industry. Any adverse changes in the conditions affecting the automotive industry can adversely affect our business, results of operations, financial condition and cash flows.***

As of June 30, 2024, we offered more than 900 automotive components and sold more than 900 products across our product segments. Equipped with capabilities including high pressure die casting, low pressure die casting and gravity die casting along with precision machining, we cover the entire value chain towards supplying aluminium die casting products for the automotive industry. As such, our revenues are derived from the automotive industry.

We are exposed to fluctuations in the performance of the automotive industry and the product segments that we cater to. Our sales are directly dependent on the production level of this industry, and are affected by inventory levels of manufacturers operating in this industry. Further, production and sales of automotives is affected by a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, fuel prices, vehicle electrification, economic conditions, geopolitical events, demographic trends, employment and income levels and interest rates, disruptions in this industries' supply chain, vehicle age, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions. While there have not been any instances of decline in the performance of the automotive industry, that have adversely impacted our operations in the past three Fiscals and the three months ended June 30, 2024, there can be no assurance that such instances will not occur in the future. If there is a decrease in the demand in the automotive industry, or if there is uncertainty and other unexpected fluctuations or changes in regulations, customs, taxes or other barriers or restrictions adversely affecting its market, our business, results of operations, financial condition and cash flows may be adversely affected.

6. ***Our manufacturing facilities are subject to operating risks. Any shutdown of our manufacturing facilities caused by unforeseen events may adversely affect our business, financial condition, results of operations and cash flows.***

As of June 30, 2024, we operate five manufacturing facilities that cater to the diverse needs of our customers, including four facilities in India, and one manufacturing facility in the United States. With effect from September 5, 2024, we have also commissioned a new manufacturing facility at Thervoy Kandigai in Tamil Nadu, India. Our manufacturing facilities are subject to operating risks and we may encounter manufacturing problems or experience difficulties or delays in production as a result of occurrence of the following events or any other events beyond our control:

- forced or voluntary closure of manufacturing plants, including as a result of regulatory actions;
- problems with supply chain continuity, including as a result of natural or man-made disasters at any of our manufacturing facilities;

- manufacturing shutdowns, breakdown or failure of equipment, equipment performance below expected levels of efficiency, obsolescence of our equipment and production facilities, industrial accidents and the need to comply with the directives of relevant government authorities;

- labour disputes, strikes, lock-outs that may result in temporary shutdowns or manufacturing disruptions;

- any changes in the availability of power or water availability which impacts the entire region;

- failure of a supplier to provide us with the critical raw materials or components for an extended period of time, which could impact continuous supply; and

- changes in political relationships between India and the countries in which we export and local political tensions.

We have not faced any of the aforementioned instances during the past three Fiscals and the three months ended June 30, 2024, that adversely affected our operations. There is no assurance that our business and financial results may not be adversely affected by any disruption of operations at our manufacturing facilities, including as a result of any of the factors mentioned above, in the future. Disruption in our manufacturing operations may result in reduced production and reduced sales or higher costs to arrange for alternative arrangements to meet our customer obligations, which may adversely affect our business, financial condition, results of operations and cash flows.

7. ***We export our products to various countries. Any adverse events affecting these countries could have an adverse impact on our results from operations.***

We export our products to several countries including the United States, Germany, France, Brazil and Japan. Set forth below is the breakdown of our revenue from operations from outside India in Fiscals 2024, 2023 and 2022, based on the Proforma Condensed Combined Financial Information:

Particulars	Fiscal 2024		Fiscal 2023		Fiscal 2022	
	Amount (₹ crores)	Percentage of Revenue from Operations (%)	Amount (₹ crores)	Percentage of Revenue from Operations (%)	Amount (₹ crores)	Percentage of Revenue from Operations (%)
Revenue from Outside India	1,123.42	51.42%	983.01	47.89%	816.20	48.23%
Revenue from outside India (net of cost of import of raw materials)	1,066.15	48.80%	931.83	45.39%	727.44	42.98%

Set forth below is the breakdown of our revenue from operations from outside India in the three months ended June 30, 2024, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	Three months ended June 30, 2024	
	Amount (₹ crores)	Percentage of Revenue from Operations (%)
Revenue from Outside India	313.86	54.07%
Revenue from outside India (net of cost of import of raw materials)	253.62	43.70%

Export destination countries impose varying duties on our products. There can be no assurance that the duties imposed by such countries will not increase. Any change or increase in such duties may adversely affect our business, financial condition and results of operations.

Additionally, export destination countries may also enter into free trade agreements or regional trade agreements with countries other than India. Such agreements and alteration of existing tax treaties may lead to increased competition or may even place us at a competitive disadvantage compared to manufacturers in other countries and could adversely affect our business, financial condition and results of operations. Further, changes in import policies or an economic slowdown in countries to which we export our products may have a significant adverse impact on our business, financial condition and results of operations. India is also a party to, and is currently negotiating, free trade agreements with several countries and if we export our products to such countries, any revocation or alteration of those bilateral agreements may also adversely affect our ability to export, and consequently, our business, financial condition and results of operations.

Additionally, we will be required to procure certifications in addition to other quality standards which could be necessary for the products to be accepted by customers and the markets in which we export our products. As such, we may need to obtain and maintain the relevant certifications so that our customers are able to sell their products, which include components that are manufactured by us, in these countries. Our inability to secure such license, or any other licenses, certification, registrations and permits in other jurisdictions in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties, which could have an adverse effect on the overall business, results of operations and financial condition. Further, our international operations may expose us to risks associated with foreign currency exchange rates. For details, see *"- 15. We are subject to risks arising from fluctuations in interest rate and foreign currency exchange rates, which could adversely affect our results of operations, planned expenditures and cash flows"* on page 51. While we have not faced any such instances in the past three Fiscals and the three months ended June 30, 2024, any such occurrence in the future may have an adverse effect on our business, results of operations, financial condition and cash flows.

8. ***All of our four manufacturing facilities in India are located in the state of Tamil Nadu, India which exposes our operations to risks arising from local and regional factors such as adverse social and political events, weather conditions and natural disasters.***

All of our four manufacturing facilities in India are located in the state of Tamil Nadu, India. Owing to the geographic concentration of our manufacturing facilities in India, our operations are susceptible to local and regional factors, such as civil unrest as well as other adverse social, economic and political events in the state of Tamil Nadu, weather conditions, natural disasters, regional conflicts and other unforeseen events and circumstances. Consequently, any significant social, political or economic disruption, or natural calamities or civil disruptions in the state of Tamil Nadu, or changes in policies of the state or local governments or the government of India or adverse developments related to competition in the state of Tamil Nadu, may adversely affect our business, financial conditions, cash flows, and results of operations. While we have not faced any such instances in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future.

Further, our Company is in the process of shifting its equipment from the manufacturing facility in Padi, Tamil Nadu, India to its recently commissioned manufacturing facility in Thervoy Kandigai, Tamil Nadu, India. This transition is complex and we may encounter unforeseen difficulties and incur additional costs in integrating the existing equipment in the new facility, which may delay our production timelines and adversely affect our business, operations and profitability.

9. ***One of our manufacturing facilities is located in the United States. The global nature of our operations exposes us to various risks that could adversely affect our financial condition and results of operations.***

As of June 30, 2024, one of our manufacturing facilities is located in the United States. The revenue contribution from our manufacturing facility in the United States in Fiscals 2024, 2023 and 2022 is set forth below, based on the Proforma Condensed Combined Financial Information:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue (₹ crores)	87.90	46.16	8.50
As a percentage of revenue from operations (%)	4.02%	2.25%	0.50%

The revenue contribution from our manufacturing facility in the United States in the three months ended June 30, 2024 is set forth below, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	Three months ended June 30, 2024
Revenue (₹ crores)	31.39
As a percentage of revenue from operations (%)	5.41%

With respect to our operations in the United States, we are subject to various federal, state and local environmental and safety laws enforced by agencies including the United States Environmental Protection Agency and the Occupational Safety and Health Administration. Various permits or other authorizations are required under these laws for the operation of our facilities which subject to revocation, modification and renewal. Further, our future revenue growth also depends upon the adequacy and effectiveness of our supply chain infrastructure, compliance with the applicable regulatory regime and efficient management of our manufacturing, sales, marketing, support and service teams in the United States.

While we have not faced any instances of non-compliances in the past three Fiscals and the three months ended June 30, 2024, our inability to comply with the applicable regulatory regime in the United States, or to obtain the applicable licenses, certifications, registrations and permits in a timely manner or at all, could result in operational delays or suspensions and/or administrative fines and penalties, which could have an adverse effect on the overall business, results of operations and financial condition.

10. ***We have incurred indebtedness and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, results of operations, cash flows and financial condition.***

We have entered into various financing arrangements with various lenders for short-term and long terms facilities. As of June 30, 2024, our total outstanding borrowings amounted to ₹ 1,603.90 crores. Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to generate sufficient cash flows to service such debt. Any additional indebtedness we incur may have significant consequences, including, requiring us to use a significant portion of our cash flow from operations and other available cash to service our indebtedness, thereby reducing the funds available for other purposes, including capital expenditure and reducing our flexibility in planning for or reacting to changes in our business, competition pressures and market conditions.

Our financing arrangements include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions including altering our capital structure and paid-up capital, further issuance and allotment of any Equity Shares, change in the Board or management, reduction or dilution of Promoters' / Promoter Group shareholding, and alteration in the constitutional documents. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. We have received all consents required from our lenders in connection with the Issue.

In terms of security, we are required to create a hypothecation or charge over our current assets, movable and immovable properties. We may also be required to furnish additional security if required by our lenders. Additionally, these financing agreements also require us to maintain certain financial ratios such as debt to EBITDA ratio, debt service coverage ratio, total liabilities to tangible net worth ratio and fixed asset coverage ratio. We cannot assure you that we will be able to comply with these financial or other covenants at all times or that we will be able to obtain the consent necessary to take the actions that we believe are required to operate and grow our business. Further, there has been no re-scheduling/ re-structuring in relation to borrowings availed by us from any financial institutions or banks in the past three Fiscals and the three months ended June 30, 2024.

11. ***We are required to meet precise and specific requirements from our customers. Failure to achieve or maintain compliance with these requirements or quality standards can adversely affect our business, results of operations, financial condition and cash flows.***

We are required to meet precise and specific requirements from our customers in terms of quality and measurements, including compliance with ISO and DIN standards. Failure to achieve or maintain compliance with these requirements or quality standards may disrupt our ability to supply products sufficient to meet our customers' demands, lead to the cancellation of existing and future orders, result in us incurring costs for repairing or replacing defective products as well as conducting product recalls and paying warranty and liability claims. While we have not faced any such instances in the past three Fiscals and the three months ended June 30, 2024, any such occurrence in the future may have an adverse effect on our business, results of operations, financial condition and cash flows.

Our agreements with customers or purchase orders issued by them, have standard liability clauses in relation to quality and delivery of our products, which ordinarily do not have any limits. Accordingly, we are required to provide warranty for such quality and delivery related obligations, which may or may not be capped in terms of time or monetary value. Further, the supply of defective products may result in our customers initiating litigation against us, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

12. ***We may be subject to liability claims by third parties in the event that the use of any of our products results in personal injury or property damage which may have an adverse effect on our business, results of operations, financial condition and reputation.***

We face an inherent business risk of exposure to product liability or recall claims, in the event that any of our products fail to perform as expected or such failure results or is alleged to result, in bodily injury or property damage or both. While we maintain insurance for product liability and have a product liability policy in place, as a result of product liability legislation, civil claims may be brought against our customers, and we may be made parties to such claims where damages may have been caused by any of our faulty products. There have been no instances where we were subject to any product liability claims in the past three Fiscals and the three months ended June 30, 2024. We cannot assure you that we will not be subject to product liability claims in the future. We cannot assure you that such claims will not be brought against us in the future, and any adverse determination may have an adverse effect on our business, results of operations, financial condition and reputation.

13. ***We have substantial capital expenditure and working capital requirements and may require additional capital and financing in the future and our operations could be curtailed if we are unable to obtain the required additional capital and financing when needed.***

Our business is capital intensive. The following table sets forth our capital expenditure and working capital utilization for Fiscals 2024, 2023 and 2022, based on the Proforma Condensed Combined Financial Information:

Particulars	Fiscal		
	2024	2023	2022
Capital expenditure * (₹ crores)	409.26	187.50	100.10
Working capital utilization (₹ crores)	175.45	301.27	372.59

**Capital Expenditure comprises land, buildings, plant and equipment, furniture and IT infrastructure.*

The following table sets forth our capital expenditure and working capital utilization for the three months ended June 30, 2024, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	Three months ended June 30, 2024
Capital expenditure * (₹ crores)	146.17
Working capital utilization (₹ crores)	183.50

**Capital Expenditure comprises land, buildings, plant and equipment, furniture and IT infrastructure.*

The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, weather related delays, technological changes and additional market developments and new opportunities in the industries we operate.

Our sources of additional capital, where required to meet our capital expenditure plans or funding working capital requirement, may include the incurrence of debt or the issuance of equity or debt securities or a combination of both. Further, our budgeted resources may prove insufficient to meet our requirements which could drain our internal accruals or compel us to raise additional capital. If we are required to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. While we have not faced any such instances in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future.

14. ***Pricing pressure from customers may adversely affect our gross margins, profitability and ability to increase our prices, which may in turn have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our business is capital intensive and requires us to maintain a large and fixed cost base. Our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers may negotiate for larger discounts as the volume of their orders increases. Under the terms of the general purchase agreements entered into by us with our customers, our customers may seek discounts as well. To maintain our profit margins, we may seek price reductions from our suppliers, improve production processes to increase manufacturing efficiency and streamline product designs to reduce costs.

If we are unable to offset these discounts in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our results of operations, cash flows and financial condition may be adversely affected. Further, our competitors may resort to aggressive pricing strategies to gain a larger market share and which may exert downward pressure on our pricing levels and profit margins and as a result, we may be required to reduce our prices.

While we have not faced any instances wherein customers have sought price reductions in the past three Fiscals and the three months ended June 30, 2024, other than those agreed upon under the terms of the general purchase agreements, any such occurrence in the future may have an adverse effect on our business, results of operations, financial condition and cash flows.

15. ***We are subject to risks arising from fluctuations in interest rate and foreign currency exchange rates, which could adversely affect our results of operations, planned expenditures and cash flows.***

We are susceptible to changes in interest rates and the risks arising therefrom. The majority of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread, and in the event of an adverse change in our Company’s credit risk rating.

Further, some of our indebtedness that we have availed are in foreign currencies and are therefore, exposed to foreign exchange risk between the Indian Rupee and U.S. Dollars and other foreign currencies. Set forth below are the details of our borrowings availed in foreign currency as of March 31, 2024, March 31, 2023 and March 31, 2022, based on the Proforma Condensed Combined Financial Information:

Particulars	**As of March 31,**		
	2024	**2023**	**2022**
Borrowings in foreign currency (₹ crores)	537.08	567.18	445.68
Percentage of total borrowings (%)	37.89%	52.43%	46.70%

Set forth below are the details of our borrowings availed in foreign currency as of June 30, 2024, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	**As of June 30, 2024**
Borrowings in foreign currency (₹ crores)	550.34
Percentage of total borrowings (%)	34.31%

We cannot assure you that we will be able to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against other relevant foreign currencies. Any significant fluctuation in the value of the Indian Rupee against such currencies, may adversely affect our results of operations. Any appreciation of foreign currencies against the Indian Rupee may result in increase in our debt obligations and consequently, have an adverse effect on our cash flows and results of operations.

16. ***Inability to maintain or increase our current capacity utilization levels may have an adverse impact on our business, results of operations and cash flows. Further, under-utilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.***

As of June 30, 2024, our manufacturing facilities have an annual aggregate installed capacity of 84,000 metric tons ("**MT**"). We typically rely on purchase orders issued by our customers from time to time for the products that are to be supplied to/ purchased by them from us. In the event of fluctuation in the order quantity, our utilization levels may be impacted. Our inability to maintain or increase our current capacity utilization levels may have an adverse impact on our business, results of operations and cash flows. The level of our capacity utilization can impact our operating results. High capacity utilization allows us to spread our fixed costs, resulting in higher gross profit margin. Failure to optimally use our existing capacities could lead to a strain on our financial and operational efficiency.

Our capacity utilization is affected by the availability of industry/ market conditions as well as by the requirements of, and procurement practice followed by, our customers. Further, if our customers have lower demand than anticipated or cancel existing orders or change their policies, resulting in reduced quantities being supplied by us, it could result in the under-utilization of our production capacities. Changes in demand could reduce our ability to estimate accurately future customer requirements, make it difficult to schedule production and lead to over production or utilization of our production capacity, which could adversely affect our business, results of operations, financial condition and cash flows.

17. ***Any significant delay in receiving plant, equipment and machinery purchased for our manufacturing facilities from outside India or the United States could impact our business, operations, cash flows and financial conditions.***

Importing equipment and machinery involves a complex supply chain, which may be susceptible to various disruptions such as delays in shipping or customs clearance. Any disruption in the supply chain could lead to significant delays in receiving the plant, equipment and machinery and could affect our production timelines and impact our ability to meet customer demands, which in turn impact our business, operations, cash flows and financial conditions. Additionally, geopolitical tensions can also disrupt the supply chain for imported plant, equipment and machinery. If there is political instability or conflicts in the region where the equipment is being sourced from, it could lead to further delays or even halt the entire importing process. Such uncertainties pose a risk to our business and operations, as we may not have alternative sources for the plant, machinery and equipment we need. In the past, while we have experienced minor delays in the installation of equipment and machinery and commissioning of our manufacturing facilities, we have not face any other major delays in receiving equipment or machinery in the past three Fiscals and the three months ended June 30, 2024. However, there is no assurance that such an instance will not arise in the future.

18. ***We are dependent on third parties for transportation and timely delivery of our products to customers. Any failure by or loss of a third party transport service provider could result in delays and increased costs, which may adversely affect our business, cash flows, financial condition, results of operations and reputation.***

We rely on third parties for the transportation services for the timely delivery of our products to our customers. The following table sets forth the transportation charges incurred as a percentage of our total expenses in Fiscals 2024, 2023 and 2022, based on the Proforma Condensed Combined Financial Information:

Particulars	**Fiscal 2024**		**Fiscal 2023**		**Fiscal 2022**	
	Amount (₹ crores)	**Percentage of Total Expenses (%)**	**Amount (₹ crores)**	**Percentage of Total Expenses (%)**	**Amount (₹ crores)**	**Percentage of Total Expenses (%)**
Transportation Charges	70.39	2.99%	65.66	3.08%	79.99	4.76%

The following table sets forth the transportation charges incurred as a percentage of our total expenses in the three months ended June 30, 2024, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	Three months ended June 30, 2024	
	Amount (₹ crores)	**Percentage of Total Expenses (%)**
Transportation Charges	16.87	2.66%

We engage third-party logistic service providers for our transportation requirements. In the three months ended June 30, 2024 and the Fiscals 2024, 2023 and 2022, we engaged TVS SCS Global Freight Solutions Limited, Vrrddhi Freight Private Limited, Freyer International Logistics Private Limited and Subham Freight Carriers as third-party logistic service providers for road transportation of our products. In the event that these third party logistic service providers are unable to provide services for our operations for reasons which are beyond our control and we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, cash flows, financial condition, results of operations and reputation may be adversely affected.

19. ***Our delivery schedules and ability to supply products to our customers may be adversely impacted due to disruptions in transportations services on account of events such as natural disasters, pandemics, civil unrest and mass protests.***

Any disruptions in transportation services due to natural disasters, pandemics, mass protests, civil unrests, or similar events could impact the delivery schedules and supply chain, which could adversely affect our business, results of operations, financial condition, and cash flows. Further, disruptions in transportation services could adversely impact our inventory management, which could lead to either inventory shortages or excess inventory, which could increase the operating costs. In addition, disruptions in transportation services could also have an adverse impact on our reputation since customers may experience delay. While we have not faced such instances of delay in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future.

20. ***Our failure to identify and understand evolving industry trends and preferences to develop new products to meet our customers' demands may adversely affect our business.***

We may be unable to anticipate changes in technology and regulatory standards and to successfully develop and introduce new and enhanced manufacturing process on a timely basis. This may impact our operations and our ability to meet our customers commitments. Further, there can be no assurance that we will be able to secure the necessary technological knowledge which will allow us to upgrade our manufacturing process.

Moreover, we cannot assure you that we will be able to achieve the technological advancements that may be necessary for us to remain competitive or that certain of our processes will not become obsolete. We are also subject to the risks generally associated with new product development, delays in product development and failure of products due to manufacturing defects. We cannot assure you, that it will be able to install and commission the equipment needed for new product programs in time for the start of production, or that the transitioning of our manufacturing facilities and resources to full production under new product programs will not impact production rates or other operational efficiency measures at our facilities.

We have established a research and development centre focusing on design aspects in Neckarsulm near Stuttgart, Germany, and one dedicated Department of Scientific and Industrial Research-approved research and development centre in Padi, Tamil Nadu, India. We have also established a design centre in the IIT (Madras) Research Park in Tamil Nadu, India. We expect to continue to dedicate significant financial and other resources to our product development and process development efforts in order to maintain our competitive position. Investing in product and process development, including developing new products, enhancing existing products and developing new manufacturing processes, is expensive and time consuming, and we cannot assure you that such activities will result in significant new marketable products or enhancements to our products, design improvements, efficient and streamlined processes, cost savings, revenues or other expected benefits. We cannot assure you that we will be able to develop or secure the necessary technological knowledge that will allow us to develop our product portfolio.

If we are unable to obtain such knowledge in a timely manner, or at all, our business and results of operations may be adversely affected. We are also subject to the risks generally associated with new product introductions and applications as well as new process integrations, including lack of market acceptance, delays in product development, failure of products to operate properly and delays in process integration and application. Our failure to successfully develop and produce new products and processes, or a failure by our customers to successfully launch new programs, could materially adversely affect our prospects and results of operations.

21. ***Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.***

As of June 30, 2024, we had more than 3,500 employees, which includes blue-collared employees, trainees and contract labourers. We may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations. Our blue-collar employees and workers at all of our manufacturing facilities in India have organized themselves into unions and we cannot assure you that more employees will not unionize in the future. Union organizing efforts or collective bargaining negotiations could lead to strikes by our employees, which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects. Furthermore, since our blue-collar employees are represented by one or more labour unions, we may face higher employee costs and increased risks of work stoppages, slowdowns and/or strikes, which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Although we have not experienced any strikes or employee unrest in the three months ended June 30, 2024 and the past three Fiscals, we cannot assure you that we will not experience disruptions in future due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. In the event our employee relationships deteriorate there could be an adverse impact on our operations. We are also subject to, and may continue to contest, regulatory claims alleging defaults in relation to employee wage payments and contributions. Any such actions could adversely affect our business, results of operations and financial condition.

We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If labour laws become more stringent, it may become more difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects.

22. ***Any disruption to power or fuel sources could increase our production costs and adversely affect our business, financial condition, cash flows and results of operations.***

We require substantial power and fuel for our manufacturing facilities. The following table sets forth below our power and fuel expenses in Fiscals 2024, 2023 and 2022, based on the Proforma Condensed Combined Financial Information:

Fiscal 2024		Fiscal 2023		Fiscal 2022	
Power and Fuel Expenses (₹ crores)	**Percentage of Total Expenses (%)**	**Power and Fuel Expenses (₹ crores)**	**Percentage of Total Expenses (%)**	**Power and Fuel Expenses (₹ crores)**	**Percentage of Total Expenses (%)**
153.29	6.50%	128.22	6.01%	112.07	6.67%

In the three months ended June 30, 2024, we incurred power and fuel expenses of ₹ 38.84 crores, which comprised 6.12% of our total expenses in the three months ended June 30, 2024.

In case the cost of electricity from state electricity boards is increased significantly and we are not able to pass on such increase to our customers, our cost of production and profitability will be adversely affected. Interruptions of electricity supply can result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. Any significant increase in power price or increased interruptions may require us to add captive power generation capacity or rent diesel generator sets to continue running our operations, which will lead to incremental capital expenditure which may adversely impact our results from operations. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our business and results from operations will be adversely impacted. While we have not faced such instances in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future.

23. ***Our operations involve activities and handling of materials which are hazardous in nature and could result in a suspension of operations and/or the imposition of civil or criminal liabilities which could adversely affect our business, results of operations, cash flow and financial condition.***

Our operations are subject to operating risks associated with aluminium die casting. Certain operations at our manufacturing facilities, including melting, die casting and machining can cause accidents during the manufacturing process resulting in serious injuries or death of employees or other persons, if improperly handled, and cause damage to our properties or equipment and the properties of others or to the environment. Despite ensuring that employee safety manuals covering employee safety and environmental procedures are in place and that hazard identification and risk assessments with respect to our operations are periodically carried out, our operations are subject to significant hazards, including explosions, fires, mechanical failures and other operational problems, inclement weather and natural disasters and environmental risks. While we have not faced such instances in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future. The occurrence of any of these hazards could result in a suspension of operations and/or the imposition of civil or criminal liabilities. We may also face claims and litigation, filed on behalf of persons alleging injury predominantly as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our business, results of operations, cash flows and financial condition could be adversely affected. Further, our customers may require us to invest in additional safety protocols which impose incremental expenses and may impact our ability to operate at optimum efficiencies. Any such action by any of our customers may adversely impact our business, results of operations, cash flows and financial condition.

24. ***Our operations are subject to environmental, health, safety and employment laws and regulations. Our failure to comply with such regulations could adversely affect our business, results of operations, financial condition and cash flows.***

Our operations are subject to environmental laws and regulations in India, including the Environment Protection Act, 1986, the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act 1981, Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 framed under the Environment (Protection) Act, 1986 and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India and various statutory and regulatory authorities and agencies in India. Further, we are also subject to the laws and regulations in India governing employees pertaining to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. If our Company fails to obtain or renew any of these approvals or licenses, in a timely manner, our operations may be adversely affected.

We may fail to comply with such regulations, which could lead to adverse actions by regulatory authorities such as enforced shutdowns, levy of penalties, and initiation of civil or criminal proceedings against us. While we have not faced any such instances of non-compliance in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not arise in the future. Any such occurrence could adversely affect our business, results of operations, financial condition and cash flows. Further, we cannot predict with certainty the extent of our future liabilities and costs under environmental, health, employment and safety laws and regulations. These liabilities and costs may be material. In addition, new legislation, administrative regulations, new judicial interpretations, or administrative enforcement of existing laws and regulations, may require us to change our operations significantly or incur increased costs. Such changes could adversely affect our business, results of operations, financial condition and cash flows.

25. ***We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, results of operations, cash flows and financial condition.***

We are required to obtain certain approvals, registrations, permissions and licenses under various regulations, guidelines, circulars and statutes regulated by the relevant authorities in India. A majority of these approvals are granted for a limited duration and require renewal from time to time. These approvals, licenses, registrations and permissions may be subject to numerous conditions. If we fail to obtain some or all of these approvals or licenses, or renewals thereof, in a timely manner or at all, or if we fail to comply with applicable conditions or it is claimed that we have breached any such conditions, our license or permission for carrying on a particular activity may be suspended or cancelled and we may not be able to carry on such activity, which could adversely affect our business, results of operations, cash flows and financial condition. While there has been no instance where we failed to obtain regulatory approvals in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instance will not arise in the future. Further, while there has been no instance in the past three Fiscals and the three months ended June 30, 2024 where our license was suspended or cancelled by any regulatory authority which impacted our operations, we cannot assure you that such instance will not arise in the future. Any such occurrence in the future may adversely affect our business, results of operations, cash flows and financial condition.

26. We depend on our Senior Management and qualified and skilled personnel with technical expertise, and if we are unable to recruit and retain senior management, qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.

Our Senior Management and Key Managerial Personnel have substantial experience and have contributed to the growth of our business. For further details, see "*Board of Directors and Senior Management*" on page 220. Our future performance would depend on the continued service of our senior management, Key Managerial Personnel, qualified and skilled personnel with technical expertise, and the loss of any senior employee and the inability to find an adequate replacement may adversely affect our business, cash flows, financial condition, results of operations and prospects. While there has been no instance in the past three Fiscals and the three months ended June 30, 2024 where the resignation of any Senior Management or Key Managerial Personnel had an adverse impact on our business, results of operations, cash flows or financial conditions, we cannot assure you that such instance will not arise in the future. Our future success, among other factors, will depend upon our ability to continue to attract, train and retain qualified personnel with critical expertise, know-how and skills that are capable of helping us. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our business, financial conditions, cash flows and results of operations.

The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. Our inability to hire, train and retain a sufficient number of qualified personnel could impair the success of our operations. This could have an adverse effect on our business, financial conditions, cash flows and results of operations.

27. We currently avail benefits under certain government incentive schemes. Cancellation or our inability to meet the conditions under such schemes may result in adversely affect our business operations, cash flows, results of operations and financial condition.

We have availed incentives under the Export Promotion Capital Goods Scheme for the import of capital items, as well as export incentives under the Duty Drawback Scheme and Remission of Duties or Taxes on Export of Products Scheme. One of our manufacturing facilities located in Mahindra World City in Tamil Nadu, India is located in a special economic zone and is able to avail indirect tax benefits for its operations. Further, we have also received a grant of $1.3 million from the county of Dorchester, South Carolina, United States as investment in our manufacturing facility in Ridgeville, South Carolina. Our profitability may be affected in the future if any of such benefits are reduced or withdrawn prematurely or if we are subject to any dispute with the tax authorities in relation to these benefits or in the event we are unable to comply with the conditions required to be complied with in order to avail ourselves of each of these benefits. Further, our inability to meet the conditions as prescribed under such schemes would make our Company less competitive against its competitors who have been availing this scheme by complying with all conditions.

28. We may not have adequate insurance and may be unable to secure additional insurance to cover all losses we may incur in our business operations or otherwise.

Our operations carry inherent risks of personal injury and loss of life, damage to or destruction of property and equipment, and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes, and terrorism. We maintain insurance coverage in such amounts and against such risks which we believe are in accordance with industry practice. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Furthermore, we may not be able to secure any additional insurance coverage on commercially reasonable terms or at all.

In addition, we may not be able to maintain insurance of the nature or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our reputation, business and results of operations.

We cannot assure you that any claim under the insurance policies maintained by us will be honoured fully or on time. For instance, an insurance claim of net of advance of approximately ₹ 25.00 crores for losses incurred due to floods at our manufacturing facility in Padi, Tamil Nadu, India in December 2023 is being assessed by the relevant insurer and is yet to be approved. Any payments we make to cover any losses, damages or liabilities or any delays we experience in receiving appropriate payments from our insurers could have an adverse effect on our business, financial condition, cash flows, and results of operations.

29. ***If we are unable to establish and maintain an effective internal controls and compliance system, our business, results of operations, cash flows and financial condition could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our operations adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no material instances of failure to maintain effective internal controls and compliance system in the past three Fiscals. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any failure to comply with these internal controls could adversely affect our business, results of operations, cash flows and financial condition.

30. ***Our Company, Subsidiaries, Promoters, and Directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have an adverse effect on our business, financial condition, cash flows and results of operations.***

There are outstanding legal and regulatory proceedings involving our Company, our Subsidiaries, our Promoters, and Directors which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert the management's time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent that such amounts are ascertainable and quantifiable and include amounts claimed jointly and severally, as applicable. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, continuity of our management, business, cash flows, financial condition and results of operations.

The summary of such outstanding legal and regulatory proceedings is set out below:

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation#	Aggregate amount involved (₹ in crores)*
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	6	Nil	Nil	Nil	15.93

Name of Entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigation#	Aggregate amount involved (₹ in crores)*
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil

 # Determined in accordance with the Materiality Policy.
** To the extent ascertainable and quantifiable.*

We cannot assure you that any of these matters will be settled in favour of our Company, our Subsidiaries, Promoters, or Directors, respectively, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, cash flows, results of operations and our reputation. For further information, see "*Legal Proceedings*" on page 276.

31. ***We are exposed to counterparty credit risk and an inability to collect receivables in a timely manner may have an adverse effect on our business, results of operations, cash flows and financial condition.***

We provide our customers with certain credit periods, as part of our standard payment terms. While we generally limit the credit we extend to our customers based on their financial condition and payment history, we may still experience losses because of a customer not paying our dues in a timely manner and are subject to counterparty credit risk. While there have not been any instances in the past three Fiscals and the three months ended June 30, 2024, any default in payment by key customers may adversely affect our receivable days and our cash flows. There is no assurance that we will be able to accurately assess the creditworthiness of our customers.

The table below sets forth details of certain parameters as of and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022, based on the Proforma Condensed Combined Financial Information:

Particulars	As of/ For the Year Ended March 31,		
	2024	2023	2022
Total Current Assets (₹ crores)	782.46	799.94	815.07
Receivable Turnover Days	46	46	53
Total Current Liabilities (₹ crores) (1)	607.01	498.67	442.48
Net Working Capital Days(2)	40	60	64
Net Working Capital Turnover Ratio (3)	8.03%	14.68%	22.02%

Notes:
(1) *Total Current Liabilities does not include borrowings.*
(2) *Net Working Capital Days is calculated as (average working capital multiplied by number of days) divided by revenue from operations.*
(3) *Net Capital Turnover Ratio is calculated as net working capital divided by revenue from operations.*

The table below sets forth details of certain parameters as of and for the three months ended June 30, 2024, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	As of/For the Three Months Ended June 30, 2024
Total Current Assets (₹ crores)	842.10

Particulars	As of/For the Three Months Ended June 30, 2024
Receivable Turnover Days	47
Total Current Liabilities (₹ crores)(1)	658.60
Net Working Capital Days(2)	28
Net Working Capital Turnover Ratio(3)	7.90%

Notes:

(1) *Total Current Liabilities does not include borrowings.*

(2) *Net Working Capital Days is calculated as (average working capital multiplied by number of days) divided by revenue from operations on an annualized basis.*

(3) *Net Capital Turnover Ratio is calculated as net working capital divided by revenue from operations on an annualized basis.*

If a customer delays in making its payment on a product to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables in a timely manner, it could have an adverse effect on our business, financial condition and results of operations.

32. ***If we are unable to accurately forecast demand for our products and plan production schedules in advance, our business, cash flows, financial condition, results of operations, and prospects may be adversely affected.***

Our inability to accurately forecast the level of customer demand for our products as well as our inability to accurately schedule our raw material purchases and production and manage our inventory may adversely affect our business and cash flows from operations. Although our customers provide us with forecasts of annual business volumes, which enable us to predict our income for a portion of our business, the actual orders are only placed by way of on-going purchase orders. Our customers do not provide a firm commitment for any specific product quantity and purchase orders may be amended or cancelled prior to finalization, as a result of which, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production or sales and plan our inventory in advance.

Actual production volumes may vary from these estimates due to variations in end consumer demand for the related vehicles leading to either underutilized capacity or incurring additional expenditure to deploy additional resources to meet expedited delivery timelines. Many of our operating expenses are relatively fixed and an unanticipated change in customer demand may result in significant costs incurred towards procuring additional raw materials on an urgent basis, which may adversely affect our liquidity and financial condition. We typically commit to order raw materials and bought-out components from our own suppliers based on customer forecasts and orders. Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and bought-out components and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

33. ***We may not be successful in implementing and managing our expansion and growth strategy effectively.***

Our ability to manage our expansion effectively and execute our growth strategy predominantly depends on our ability to grow our business and operations. The development of such future business could be adversely affected by many factors, including general political and economic conditions, government policies or strategies in respect of specific industries, prevailing interest rates, and labour costs, among others. If we are unable to manage our growth effectively, we may not be able to take advantage of market opportunities, execute our business strategies successfully or respond to competitive pressures. Additional difficulties in executing our growth strategy, particularly in new geographical locations, may include, among others, obtaining applicable regulatory approvals and other permits; managing local operational, capital investment or sourcing regulatory requirements; managing fluctuations in the economy and financial markets, as well as credit risks; and managing possible unfavourable labour conditions or employee strikes. We cannot assure you that our growth and expansion strategy will continue to be successful or will continue to grow at historical rates or that we will be able to execute our business plans efficiently in a cost-effective manner.

34. ***We may undertake acquisitions, investments, joint ventures or other strategic alliances, which may have an adverse effect on our ability to manage our business, and such undertakings may be unsuccessful.***

We may undertake acquisitions, investments, joint ventures or other strategic alliances to expand our business operations. Any future acquisitions may expose us to new operational, regulatory, market and geographic risks as well as risks associated with additional capital requirements as well as other considerable risks, including:

- our inability to integrate new operations, personnel, products, and technologies;
- unforeseen or hidden liabilities, including exposure to lawsuits associated with newly acquired companies;
- the diversion of resources from our existing businesses;
- failure to comply with laws and regulations as well as industry or technical standards of the overseas markets into which we may expand;
- our inability to generate sufficient revenues to offset the costs and expenses of such acquisitions or strategic investment; and
- potential loss of, or harm to employees or customer relationships.

Any of these events could disrupt our ability to manage our business, which in turn could have an adverse effect on our financial condition, cash flows and results of operations. Such risks could also result in our failure to derive the intended benefits of the acquisitions, and we may be unable to recover our investment in such initiatives.

35. Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and cash flows.

Our operations may be subject to incidents of theft or damage to inventory in transit and prior to or during godown stocking. The business may also encounter some inventory loss on account of employee theft, vendor fraud and general administrative error. While there has been no instance of fraud, theft or employee negligence which we have experienced in the past three Fiscals and the three months ended June 30, 2024 which had an adverse effect on our business operations, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations, cash flows and financial condition.

36. Any failure to compete effectively in our highly competitive industry could have an adverse effect on our business, financial condition, results of operations and cash flows.

We face competition in our industry which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, technology, manufacturing capabilities, price, and brand recognition. We compete with competitors to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios.

Some of our competitors may be able to produce similar or equivalent products at lower costs than we can produce them. Accordingly, we may not be able to compete effectively with our competitors or may be required to reduce prices to remain competitive, which may have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger manufacturers who may have an existing relationship with our customers that may reduce or entirely replace our business with those customers.

37. Certain of our offices and manufacturing facilities are located on leased or licensed or rented premises; and certain of our equipment and machinery has also been procured on a lease basis. If these leases, lease and license agreements or rental deeds are terminated or not renewed on terms acceptable to us, and in a

timely manner, it could adversely affect our business, financial condition, results of operations, and cash flows.

Certain of our offices, and manufacturing facilities, are located on premises that we operate on a freehold and a leave and license basis, as applicable. For details, see *"Our Business – Properties"* on page 218. Further, we have also entered into lease agreements in relation to some of our equipment and machinery, which include die casting machines, CNC machines and utility equipment. We may not be able to renew or extend these agreements at commercially acceptable terms and terms favourable to us, or at all, in a timely manner. Further, we may be required to re-negotiate rent period or rent amount or other terms and conditions of such agreements. We may also be required to vacate the premises at short notice as prescribed in the lease agreements, and we may not be able to identify and obtain possession of an alternate location, in a short period of time, or at terms acceptable by us or favourable terms, or at all. Occurrence of any of the above events may have an adverse effect on our business, results of operations, financial condition, and cash flows. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations. We may also face the risk of being evicted in the event that our landlords allege a breach on our part of any terms under these lease/ leave and license agreements and there is no assurance that we will be able to identify suitable locations to re-locate our operations.

38. Our manufacturing facility in Oragadam and our upcoming manufacturing facility at Thervoy Kandigai is situated on land allotted to us by SIPCOT. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition.

Our manufacturing facility in Oragadam, Tamil Nadu and our upcoming manufacturing facility at Thervoy Kandigai are situated on lands allotted to us by the State Industries Promotion Corporation of Tamil Nadu ("**SIPCOT**"). Under the terms of allotment of such lands, we are required to comply with certain ongoing conditions, including achieving the investment commitment set out in the project report, adhering to the timelines for completion of setting up of the manufacturing facility, and commencement of manufacturing activity. If we fail to meet any such conditions, we may be required to incur additional liability. As we are constantly looking to expand our business, we will be required to enter into arrangements with such other industrial development corporations and other third parties to secure land for setting up new manufacturing facilities or expanding existing ones. However, there are several factors and variables such as delay in receipt of confirmed orders from our customers, inability to arrange for manpower, inability to raise debt for unforeseen increases in project outlays and delay in securing requisite licenses and approvals which could delay the completion of the manufacturing facility beyond the timeline agreed upon with the state industrial corporation or other third parties. In such an event, we are subject to the risk of paying a premium or, even, the cancellation of land allotment. Cancellation of land allotment could have an impact on our financial condition on account of the capital invested on a facility being blocked without any returns while we continue to service the cost of the capital raised which could adversely impact our results of operations and financial condition.

39. Information relating to the annual installed capacity and historical capacity utilization of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates, and future production and capacity utilization may vary.

The information relating to the annual installed capacity and capacity utilisation of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates of our management that have been taken into account by the independent chartered engineer in the calculation of our capacity. Actual production levels and capacity utilization rates may therefore vary significantly from the annual installed and annual average available installed capacity of our facilities. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing facilities included in this Placement Document. For information regarding capacity of our manufacturing facilities, see "*Our Business – Installed Capacity, Actual Production and Capacity Utilisation*" on page 212.

40. We have certain contingent liabilities that have been disclosed in our financial statements, which if materialize, may adversely affect our results of operations, cash flows and financial condition.

As of June 30, 2024, our contingent liabilities as per Ind AS 37 that have been disclosed in our financial statements, were as follows:

Particulars	Amount (₹ crores)
Claims against group not acknowledged as debt – GST demand	1.50

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations. For further information of contingent liability as at June 30, 2024 as per Ind AS 37, see *"Financial information – Note 36 - Contingent liabilities and commitments*" on page 454.

41. Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation.

The use of our registered trademarks or logos or the infringement of our product and process patents and designs by third parties could adversely affect our reputation, which could in turn adversely affect our business and results of operations. The measures we take to protect our intellectual property rights may not be adequate to prevent unauthorized use of the same by third parties. Further, in cases where we have made applications for the registration of new trademarks, patents or designs, we cannot assure you that such registrations will be granted to us in a timely manner, or at all. As a result, we may not be able to prevent infringement of our intellectual property rights until such time that such registrations are granted.

Further, the defence of intellectual property suits and related legal and administrative proceedings can be both costly and time-consuming and may significantly divert the efforts and resources of our technical and management personnel. We may not achieve a favourable outcome in any such litigation. While we have not experienced any instances of infringement of our registered trademarks in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future.

42. If we inadvertently infringe on the intellectual property rights of others, our business and results of operations may be adversely affected.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights, which may force us to alter our technologies, obtain licences or cease some of our operations. We may also be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be subject to costly litigation or may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Further, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, which settlement could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business, results of operations and financial condition. We are bound by confidentiality obligations under our nondisclosure agreements with our customers to protect their intellectual property, including in relation to technical data such as product designs and drawings that may have been shared with us by our customers. An inadvertent breach or any misuse of intellectual property or proprietary data by any of our employees or sub-contractors may expose us to expensive infringement claims and may diminish our goodwill and reputation among our customers, suppliers, lenders, investors and the public, making it difficult for us to operate our business and compete effectively. While we have not experienced any such instances in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not occur in the future.

43. ***Technology failures could disrupt our operations and adversely affect our business operations and financial performance.***

Information technology systems are critical for our financial management and data handling, to maximize efficiencies and optimize costs. Our IT systems enable us to coordinate our operations. While there has been no instance in the past three Fiscals and the three months ended June 30, 2024 where we experienced technology failure and the same had an adverse impact on our business operations, there is no assurance that such instance will not arise in the future.

If we do not allocate and effectively manage the resources necessary to implement and sustain the proper IT infrastructure, we could be subject to operational inefficiencies. Challenges relating to the revamping or implementation of new IT structures can also subject us to certain errors, inefficiencies, and disruptions. Our IT systems may also be vulnerable to a variety of interruptions due to events beyond our control, including, but not limited to, natural disasters, terrorist attacks, telecommunications failures, computer viruses, hackers and other security issues. Furthermore, some of our technological implementation may not result in the expected efficiencies and benefits we anticipate, which could adversely affect our operations and financial condition. While we have not faced any such instances in the past three Fiscals and the three months ended June 30, 2024, we cannot assure you that such instances will not arise in the future.

44. ***Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.***

We have received a number of quality assurance certifications and accreditations which have certified that our manufacturing facilities are in compliance with globally accepted health, safety and quality standards. Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.

Our manufacturing facilities have received ISO 14001:2015, ISO 45001:2018, ISO/IEC 27001: 2022, IATF 16949 and IATF 16949 certifications. While we have not faced any instances in the past three Fiscals and the three months ended June 30, 2024 where our accreditations or other certifications have been revoked or not renewed, if we are unable to renew our accreditations or other certifications, our brand and reputation could be adversely affected. Any significant damage to our reputation and/or brand caused by being denied such accreditations and certifications could have an adverse effect on our ability to attract new and repeat customers and, as a result, adversely affect our business, financial condition, results of operations or prospects.

45. ***Our Promoters, Directors and Key Managerial Personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel may be interested in our Company to the extent of the Equity Shares held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details on our shareholding, see "*Capital Structure*" on page 84.

46. ***Our Promoters and members of our Promoter Group will continue to hold a significant equity stake in our Company after the Issue and their interests may differ from those of the other shareholders.***

Our Promoters and members of the Promoter Group collectively hold 61.90% of the paid-up equity share capital of our Company on a fully diluted basis. After the completion of the Issue, our Promoters along with the members of Promoter Group will continue to collectively hold majority of the shareholding in our Company and will continue to exercise significant influence over our business policies and affairs and all matters requiring Shareholders' approval. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholders could conflict with our interests or the interests of our other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

47. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into transactions with related parties in the past and from, time to time, we may enter into related party transactions in the future. All such transactions have been conducted on an arm's length basis, in accordance with the Companies Act and other applicable regulations pertaining to the evaluation and approval of such transactions. Further, it is likely that we may enter into additional related party transactions in the future. Such future related party transactions may potentially involve conflicts of interest.

The table below sets forth details of absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations in Fiscals 2024, 2023 and 2022, based on the Proforma Condensed Combined Financial Information:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crores, except percentages)		
Absolute sum of all Related Party Transactions	456.14	853.82	619.29

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(₹ crores, except percentages)		
Revenue from Operations (₹ crores)	2,184.87	2,052.78	1,692.42
Absolute sum of all Related Party Transactions as a Percentage of Revenue from Operations (%)	20.88%	41.59%	36.59%

The table below sets forth details of absolute sum of all related party transactions and the percentage of such related party transactions to our revenue from operations in the three months ended June 30, 2024, based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	Three months ended June 30, 2024
	(₹ crores, except percentages)
Absolute sum of all Related Party Transactions	118.85
Revenue from Operations (₹ crores)	580.43
Absolute sum of all Related Party Transactions as a Percentage of Revenue from Operations (%)	20.48%

For further information on our related party transactions, see "*Related Party Transactions*" on page 87.

48. ***In the past, there have been instances of delays in filing of annual returns which were required to be filed with the RoC as per the reporting requirements under the Companies Act, 2013. Any penalty or action taken by any regulatory authorities in the future for non-compliance with provisions of corporate or any other laws could impact our business, results of operations and financial conditions to that extent.***

In the past, there has been a delay in filing of the annual returns for Fiscals 2024, 2023 and 2022, accordingly, our Company has not complied with certain statutory provisions. We have paid the additional fees in relation to the delay in filing of the annual returns for the last three financial years as prescribed under the Companies Act, 2013.

While no legal proceedings or regulatory action has been initiated against our Company in relation to such non-compliance or instances of non-filings or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and that we will not be subject to penalties imposed by concerned regulatory authorities in this respect. Therefore, in case the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

49. ***One of our Subsidiaries, Sundaram Holding USA Inc. has incurred losses in the past and may incur losses in the future, which could have an adverse effect on our business and results of operations.***

One of our Subsidiaries, Sundaram Holding USA Inc. incurred losses in Fiscal 2024 due to a high level of attrition among its workforce, which led to a shortage in skilled engineers and consequently caused delays in the commissioning of the equipment in our manufacturing facility in the United States. While the facility is operational as on the date of this Placement Document, in the event that Sundaram Holding USA Inc. or any other Subsidiary of our Company incurs losses in the future, our consolidated results of operations, cash flows and financial condition may be adversely affected. We may be required to fund the operations of such Subsidiary in the future and our investment in it may eventually be written-off, which could have an adverse effect on our profitability and financial condition. We may similarly be required to furnish guarantees in the future to secure the financial obligations of the relevant Subsidiary and in the event that any corporate guarantees provided by us are invoked, we may be required to pay the amount outstanding under such facilities availed, resulting in an adverse effect on our business, cash flows and financial condition.

50. ***Certain sections of this Placement Document disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks.***

We have availed the services of an independent third-party research agency, CRISIL Market Intelligence & Analytics (CRISIL MI&A), appointed by us pursuant to an engagement letter dated August 16, 2024, to prepare an industry report titled "*Assessment of the Automotive die-casting market in India, USA and Europe*" dated September 2024, for the purposes of inclusion of such information in this Placement Document to understand the industry in which we operate. Our Company, our Promoters, and our Directors are not related to CRISIL MI&A. The CRISIL Report has been commissioned by our Company exclusively in connection with the Issue for a fee. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Further the commissioned report is not a recommendation to invest or divest in our Company. Prospective investors are advised not to unduly rely on the commissioned report or extracts thereof as included in this Placement Document, when making their investment decisions.

51. ***The Proforma Condensed Combined Financial Information included in this Placement Document is not indicative of our future financial condition or results of operations.***

Pursuant to a composite scheme of arrangement amongst Sundaram-Clayton Limited, TVS Holdings Private Limited, VS Investments Private Limited, Sundaram-Clayton DCD Limited and their respective shareholders and creditors, the entire business of manufacturing non-ferrous gravity and pressure die castings of the erstwhile Sundaram-Clayton Limited (now known as TVS Holdings Limited) was demerged into our Company and the undertaking was transferred with effect from August 11, 2023. Accordingly, we have included in this Placement Document, the Proforma Condensed Combined Financial Information as at and for the years ended March 31, 2022, 2023 and 2024, as if the demerger of the die castings business took place with effect from April 1, 2021. For further information, see "*Proforma Condensed Combined Financial Information*" on page 281. The Proforma Condensed Combined Financial Information illustrates the impact of the demerger on our financial condition, cash flows and results of operations. The Proforma Condensed Combined Financial Information involves various assumptions as stated therein, after making certain adjustments, and our Statutory Auditors have issued a report in accordance with the "*Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Proforma Financial Information included in a Prospectus*" issued by the Institute of Chartered Accountants of India.

The Proforma Condensed Combined Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial condition or results of operations, and is not intended to be indicative of our future financial condition and results of operations. The adjustments set forth in the Proforma Condensed Combined Financial Information are based upon available information and assumptions that our management believes to be reasonable. As the Proforma Condensed Combined Financial Information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected. Further, our Proforma Condensed Combined Financial Information was not prepared in connection with an offering registered with the SEC under the U.S. Securities Act and consequently do not comply with the SEC's rules on presentation of the proforma financial information. Further, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may vary significantly from the basis of preparation as set out in the Proforma Condensed Combined Financial Information included in this Placement Document. Therefore, the Proforma Condensed Combined Financial Information should not be relied upon as if it has been prepared in accordance with those standards and practices. If various assumptions underlying the preparation of the Proforma Condensed Combined Financial Information do not come to pass, our actual results could be materially different from those indicated in the Proforma Condensed Combined Financial Information. Accordingly, the Proforma Condensed Combined Financial Information included in this Placement Document are not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company or a substitute for our past results, and the degree of reliance placed by investors on our Proforma Condensed Combined Financial Information.

52. ***Certain non-GAAP financial measures relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.***

Certain non-GAAP financial measures relating to our operations and financial performance have been included in this Placement Document. We compute and disclose such non-GAAP financial measures as we consider such information to be useful measures of our business and financial performance.

These Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the periods or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

53. ***Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business, financial conditions, cash flows and results of operations.***

The cost and availability of capital depends on our credit ratings. As on the date of this Placement Document, our Company has received credit ratings of AA-/Stable, A1+ and AA-/Stable from CRISIL Ratings Limited in relation to its long-term loans, short-term loans and non-convertible debentures, respectively. Credit ratings reflect the opinion of the rating agency on our management, track record, diversified clientele, increase in scale and operations and margins, medium term revenue visibility and operating cycle.

While we have not experienced downgrading in our credit ratings received until date, any downgrade in our credit ratings or our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, could increase borrowing costs, will give the right to our lenders to review the facilities availed by us under our financing arrangements and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business, results of operations, financial condition and cash flows.

54. ***Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.***

We intend to use the Net Proceeds for the purposes described in "*Use of Proceeds*" on page 78. The objects of the Offer and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. The proposed utilization of Net Proceeds is based on our current business plan, management estimates, prevailing market conditions and other commercial considerations, which are subject to change and may not be within the control of our management. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

External Risk Factors

55. ***Changing laws, rules and regulations in India could lead to new compliance requirements that are uncertain.***

Our business, financial performance, cash flow and results of operations could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Our business, cash flows, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. The regulatory and policy environment in which we operate are evolving and are subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. For instance, the GoI has recently introduced the Code on Social Security, 2020 ("**Social Security Code**"); the Occupational Safety, Health and Working Conditions Code, 2020; the Industrial Relations Code, 2020 and the Code on Wages, 2019, which consolidate, subsume and replace numerous existing central labour legislations (collectively, the "**Labour Codes**"). The GoI has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified, we are yet to determine the impact of all or some of such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses, which may adversely affect our profitability. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Code of Wages, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Code of Wages and the compulsory contribution to be made towards the employees' provident fund.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations, cash flows, financial condition and prospects. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our financial conditions, cash flows and results of operations.

56. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics and man-made disasters, including acts of war, terrorist attacks and other events such as political instability, including strikes, demonstrations, protests, marches or other types of civil disorder, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn adversely affect our business, financial condition, cash flows and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19. As a result, any future outbreak of a contagious disease could have an adverse effect on our business and the trading price of the Equity Shares.

Risks in relation to the Equity Shares and the Issue

57. After this Issue, the price of the Equity Shares may be volatile, and the investors may be unable to resell the Equity Shares at or above the Issue Price, or at all.

The Issue Price will be determined by our Company in consultation with the Book Running Lead Managers, based on the Bids received in compliance with Chapter VI of the SEBI ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is complete. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including, among others:

- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- our Company's profitability and performance;

- announcement of significant claims or proceedings against us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- volatility in the Indian and the global securities market or prospects for our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us;
- our Company's profitability and performance;
- announcement of significant claims or proceedings against us;
- volatility in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our Shareholders;
- investor perception of us and the industry in which we operate;
- changes in accounting standards, policies, guidance, interpretations of principles;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations; and
- the public's reaction to our press releases and adverse media reports.

We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

58. ***Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares.***

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in *"Selling Restrictions"* on page 255. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see *"Purchaser Representations and Transfer Restrictions"* on page 263. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

59. ***A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any further adverse revisions to credit ratings for India and other jurisdictions we operate in by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

60. ***We may be affected by competition laws in India, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of consumers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished with appropriate monetary penalties.

Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. In the event we pursue an acquisition in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects. The manner in which the Competition Act and the CCI affect the business environment in India may also adversely affect our business, financial condition, cash flows and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was recently notified. The Competition Amendment Act amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

61. ***Financial and political instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States of America, Europe and certain emerging economies in Asia. In particular, the ongoing military conflicts between Russia and Ukraine and between Iran and Israel could result in increased volatility in, or damage to, the worldwide financial markets and economy. Increased economic volatility and trade restrictions could result in increased volatility in the markets for certain securities and commodities and may cause inflation. Any worldwide financial instability including possibility of default in the US debt market may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilising effects.

62. ***The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of the Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. The Government of India has implemented two major reforms in Indian tax laws, namely the Goods and Services Tax ("**GST**"), and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any substantial precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company at an effective rate of 20.56% (inclusive of applicable surcharge and cess). Such dividends were generally exempt from tax in the hands of the shareholders. However, the GoI has amended the Income-tax Act, 1961 ("**IT Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, we are required to withhold tax on such dividends distributed at the applicable rate.

The Government of India announced the union budget for Fiscal 2025, following which the Finance Bill, 2024 ("**Finance Bill**") was introduced in the Lok Sabha on February 1, 2024. Subsequently, the Finance Bill received the assent from the President of India and became the Finance Act, 2024, with effect from April 1, 2024 ("**Finance Act**"). Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in the Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

63. ***Significant differences exist between Ind AS and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared in accordance with Ind AS. Ind AS differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements, and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should be limited accordingly.

64. ***Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.***

Any dividends to be declared and paid in the future are required to be recommended by our Company's Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. Our Company's ability to pay dividends in the future will depend upon our future results of operations, financial condition, profit after tax available for distribution, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our Company's shareholders in future consistent with our past practices, or at all.

65. ***Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

66. ***Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution. If we offers to our shareholders rights to subscribe for additional Equity Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making the rights available to our shareholders or in disposing of the rights for the benefit of our shareholders and making the proceeds available to the shareholders. We may choose not to offer the rights to our shareholders having an address outside India.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

67. ***Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder of our Company than as a shareholder of an entity in another jurisdiction.

68. If inflation were to rise in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers thereby reducing our margins.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

69. We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advice investors to be extra cautious while dealing in these securities and advice market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares may also fluctuate after the Issue due to several factors such as volatility in the Indian and global securities market, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factor. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.
In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

70. Applicants to this Issue are not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

In terms of Regulation 179 (1) of the SEBI ICDR Regulations, applicants to the Issue are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the investors' demat account with the depository participant could take approximately seven days and up to ten days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the investor's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. The investors shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. We may complete the Allotment of the

Equity Shares even if such events may limit the investor's ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

71. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company is generally taxable in India. A securities transaction tax ("**STT**") is levied on equity shares sold on an Indian stock exchange. Any capital gains exceeding ₹125,000, realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months may be subject to long-term capital gains tax in India at the rate of 12.5% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT. Further any capital gains realised on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 12.5% (plus applicable surcharge and cess), without indexation benefits.

Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India at the rate of 20% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident read with the Multilateral Instrument, if and to the extent applicable, and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

72. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior approval of the RBI will be required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

73. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a Shareholder's ability to sell, or the price at which a Shareholder can sell, the Equity Shares at a particular point in time.

The Equity Shares are subject to a daily circuit breaker imposed on listed companies by the Stock Exchanges in India, which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our Company's circuit breaker applicable to the Equity Shares is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may change the percentage limit of the circuit breaker from time to time without our Company's knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, we cannot assure you regarding the ability of Shareholders to sell the Equity Shares or the price at which Shareholders may be able to sell their Equity Shares, which may be adversely affected at a particular point in time.

74. Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

MARKET PRICE INFORMATION

As on the date of this Placement Document, our Company's issued, subscribed and paid-up share capital comprises 20,232,104 Equity Shares of face value of ₹ 5 each. The Equity Shares have been listed on BSE and NSE since December 29, 2023. The Equity Shares are listed and traded on NSE under the symbol SUNCLAY and on BSE under the scrip code 544066.

On October 7, 2024, the closing price of the Equity Shares on BSE and NSE was ₹ 2,276.15 and ₹ 2,273.00 respectively per Equity Share. Since the Equity Shares are available for trading on the Stock Exchanges, the market price and other information for each of BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for Fiscals 2024, 2023, and 2022:

BSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crores)**	**Average price for the year (₹)**
2024	1,689.05	January 2, 2024	27,607	4.66	1,260.15	March 14, 2024	8,657	1.08	1,486.47
2023	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-

(Source: www.bseindia.com)

^The Equity Shares of our Company were listed on the Stock Exchanges on December 29, 2023 and accordingly, the details in relation to the market price information are available from December 29, 2023 until March 31, 2024.

Notes:

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

NSE									
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ crores)**	**Average price for the year (₹)**
2024	1,666.65	January 2, 2024	63,174	10.53	1,259.55	March 14, 2024	1,463,776	181.62	1,485.29
2023	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-

(Source: www.nseindia.com)

^The Equity Shares of our Company were listed on the Stock Exchanges on December 29, 2023 and accordingly, the details in relation to the market price information are available from December 29, 2023 until March 31, 2024.

Notes:

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

The following table sets forth the details of the number of Equity Shares traded on the Stock Exchanges and the turnover during Fiscals 2024, 2023 and 2022:

Fiscal	**Number of Equity Shares Traded**		**Turnover (in ₹ crores)**	
	BSE	**NSE**	**BSE**	**NSE**
2024	572,590	3,019,655	86.79	416.34
2023	-	-	-	-
2022	-	-	-	-

(Source: www.bseindia.com and www.nseindia.com)
^The Equity Shares of our Company were listed on the Stock Exchanges on December 29, 2023 and accordingly, the details in relation to the market price information are available from December 29, 2023 until March 31, 2024.

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

NSE									
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ crores)**	**Average price for the month (₹)**
September 2024	2,537.55	September 17, 2024	76,609	18.88	1,741.25	September 03, 2024	14,488	2.53	2,099.72
August 2024	1,899.40	August 02, 2024	9,487	1.79	1,691.95	August 16, 2024	6,938	1.18	1,771.99
July 2024	1,949.65	July 26, 2024	53,496	10.62	1,536.05	July 2, 2024	38,815	5.95	1,762.46
June 2024	1,595.15	June 18, 2024	2,870	0.46	1,500.15	June 5, 2024	9,511	1.43	1,549.75
May 2024	1,795.30	May 8, 2024	31,921	5.73	1,534.15	May 30, 2024	3,767	0.58	1,614.52
April 2024	1,655.45	April 30, 2024	22,959	3.77	1,429.25	April 1, 2024	13,748	1.98	1,546.91

(Source: www.bseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

BSE									
Month	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ crores)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ crores)**	**Average price for the month (₹)**
September 2024	2,537.45	September 17, 2024	6,547	1.62	1,738.00	September 03, 2024	2,394	0.42	2,099.02
August 2024	1,905.60	August 02, 2024	909	0.17	1,690.00	August 16, 2024	350	0.06	1,771.25
July 2024	1,951.60	July 26, 2024	3,961	0.78	1,539.45	July 2, 2024	2,155	0.33	1,760.94
June 2024	1,592.55	June 18, 2024	416	0.07	1,502.15	June 5, 2024	898	0.13	1,548.70
May 2024	1,794.95	May 8, 2024	3,906	0.70	1,525.75	May 30, 2024	603	0.09	1,614.38
April 2024	1,661.00	April 30, 2024	1,555	0.25	1,430.35	April 1, 2024	1,242	0.18	1,547.53

(Source: www.nseindia.com)
Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. In case of two days with the same high or low price, the date with the higher turnover has been chosen.

(iii) The following table sets forth the market price on the Stock Exchanges on July 4, 2024 being the first working day following the approval of our Board for the Issue:

BSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹)**
1,694.00	1,785.75	1,665.00	1,744.65	5,445	9,371,488.00

(Source: www.bseindia.com)

NSE					
Open	**High**	**Low**	**Close**	**Number of Equity Shares traded**	**Volume (₹)**
1,675.00	1,787.85	1,655.85	1,747.30	70,757	121,806,113.75

(Source: www.nseindia.com)

USE OF PROCEEDS

The Gross Proceeds from the Issue aggregate to ₹ 400.00 crores. Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting the estimated expenses of the Issue of approximately ₹ 19.00 crores, are approximately ₹ 381.00 crores (the "**Net Proceeds**").

Object of the Issue

Subject to compliance with applicable laws, our Company intends to use the Net Proceeds towards funding the following objects:

1. Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company; and

2. General corporate purposes (collectively, "**Objects**")

The objects clause and matters in furtherance of the objects, as set out in the memorandum of association of our Company enable us to undertake (i) existing business activities and (ii) the activities proposed to be funded from the Net Proceeds.

Utilisation of Net Proceeds

The Net Proceeds are proposed to be utilised in the manner set forth below:

(₹ in crores)

Sr. No.	Particulars	Amount
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company	380.00
2.	General Corporate Purposes	1.00
	Total Net Proceeds	**381.00**

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in crores)

Sr. No.	Particulars	Amount to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds in Fiscal 2025
1.	Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company	380.00	380.00
2.	General Corporate Purposes	1.00	1.00
	Total Net Proceeds	**381.00**	**381.00**

The above-stated funding requirements, deployment of funds and the intended use of Net Proceeds indicated above is based on management estimates, current circumstances of our business, our existing business plans, the prevailing market conditions and other commercial and technical factors. Given the nature of our business, we may have to revise our funding requirements and intended deployment schedule on account of a variety of factors such as our financial condition, business and growth strategy, and external factors such as market conditions, competitive environment, price fluctuations and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management, subject to applicable law. We believe that such alternate arrangements would be available to fund any such shortfalls.

The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See "*Risk Factors – 54.Our funding requirements and proposed deployment of the Net Proceeds of the Issue have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, cash flows, financial condition and results of operations may be adversely affected.*" on page 66.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue, subject to compliance with applicable laws.

Details of the Objects

1. **Repayment / pre-payment, in part or in full, of certain outstanding borrowings availed by our Company**

   Our Company has entered into various borrowing arrangements from time to time, with banks and financial institutions. The borrowing arrangements entered into by our Company include, *inter alia*, term loans, working capital facilities, non-convertible debentures and letters of credit. As of September 28, 2024, our borrowings were ₹ 1,162.65 crores. Our Company proposes to utilise a portion of the Net Proceeds aggregating to ₹ 380.00 crores for repayment and / or pre-payment, in full or in part, of certain outstanding borrowings availed by our Company. Our Company may avail further loans and / or draw down further funds under existing or new borrowing arrangements, from time to time.

   The selection of borrowings proposed to be repaid/pre-paid amongst our borrowing arrangements availed is based on various factors including: (i) cost of borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil or obtain waiver for such requirements, and (iii) other commercial considerations including, among others, the amount of the loans outstanding and the remaining tenor of the loan. However, the aggregate amount to be utilised from the Net Proceeds towards repayment or prepayment of borrowings in part or full, would not exceed ₹ 380.00 crores.

   To the extent required, our Company has obtained the necessary consents from the lenders of these borrowings as per the requirements under the borrowing arrangements.

   We believe that such repayment and/or pre-payment of certain loans by utilizing the Net Proceeds will help reduce our outstanding indebtedness. Further, it will reduce our debt-servicing costs and improve our debt equity ratio and enable utilisation of our accruals for further investment in our business growth and expansion. Additionally, we believe that the since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates in the future to fund potential business development opportunities and plans to grow and expand our business in the future.

   Pursuant to the terms of the borrowing arrangements, pre-payment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Such pre-payment charges, as applicable, will also be funded out of the Net Proceeds. We have and will also take such provisions into consideration while deciding repayment and/ or pre-payment of our outstanding borrowings from the Net Proceeds.

   Details of utilisation

   The following table provides details of certain loans availed by our Company out of which our Company shall have a discretion to repay or prepay, in full or in part, any of the borrowings specified below, from the Net Proceeds:

Sr. No.	Name of the lender	Nature of borrowing	Date of sanction letter	Purpose of loan or facility availed	Sanctioned amount (₹ in crores)	Amount outstanding as at September 28, 2024 (₹ in crores)	Interest rate (p.a.) as on September 28, 2024 (%)	Prepayment Penalty
1.	State Bank of India	Cash Credit	May 02, 2024	Working Capital	210.00	11.91	7.36% - 10.05%	Nil
		Working capital demand loan				110.00		1.00% prepayment penalty for the balance tenor of the loan
		Buyer's credit				14.60		Buyers credit to repay on the due date
2.	IndusInd Bank Limited	Term loan	January 29, 2024	Capital expenditure	150.00	149.93	7.93% (floating rate)	No prepayment penalty, if paid on interest reset date.
3.	State Bank of India	Term loan (FCNRB)	March 09, 2021	Shoring up of net working capital	140.00	85.00	8.10% (floating rate linked to SOFR)	Prepayment out of cash accruals or equity
4.	HDFC Bank Limited	Term loan	December 19, 2022	Capital expenditure	140.00	125.00	8.12% (floating rate)	To be mutually agreed upon
5.	Export-Import Bank of India	Term loan	November 25, 2021	Reimbursement of Sundaram Holding USA Inc. investments	200.00	152.90	8.40% (floating rate)	1% prepayment penalty applies as per the terms and conditions with Export-Import Bank of India
Total					**840.00**	**649.34**	-	-

Note: The loans have been utilized for the purpose for which they were availed by our Company, as certified by M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants, by way of their certificate dated October 3, 2024.

2. General Corporate Purposes

The Net Proceeds will first be utilized towards the Objects as set out above and in compliance with the circular bearing reference no. NSE/ CML/2022/56 dated December 13, 2022, issued by NSE and circular no. 20221213- 47 dated December 13, 2022, issued by BSE. Subject to the circulars, our Company intends to deploy the balance Net Proceeds, aggregating to ₹ 1.00 crores towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any capital expenditure, strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries, business development activities, meeting exigencies and expenses and any other expenses incurred by our Company, and any other purpose as may be approved by our Board or a duly appointed committee from time to time, subject to compliance with applicable law, including the necessary provisions of the Companies Act, 2013. Further, any unspent amount from the estimated Issue Expenses mentioned above shall be added to the General Corporate Purposes subject to the total General Corporate Purposes not exceeding 25% of the Gross Proceeds.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company shall deposit the Net Proceeds in a separate bank account with a scheduled commercial bank included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market/ mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**"). The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The board of directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Proceeds during that year in its annual report. Such disclosure shall be made only until such time that all the Proceeds have been utilised in full.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Other confirmations

As permissible under applicable laws, our Company's management will have flexibility in deploying the Net Proceeds. The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us.

Neither of our Promoters or Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. None of our Promoters or our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, Key Managerial Personnel or Senior Management were not eligible to subscribe in the Issue.

Further, since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered or to be entered into by our Company with our Promoters, Directors, Key Managerial Personnel and/or Senior Management.

CAPITALISATION STATEMENT

The following table sets forth our capitalization and total borrowings, on a consolidated basis, as of June 30, 2024 which is derived from the Unaudited Consolidated Financial Results and adjusted to give effect to the receipt of the Gross Proceeds of the Issue.

This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* and "*Financial Information*" on pages 89 and 281, respectively.

(₹ in crores, other than the ratio)

Particulars	**Pre-Issue (as at June 30, 2024) (on a consolidated basis)**	**Amount after considering the Issue (i.e. Post Issue)#^ (on a consolidated basis)**
Short term borrowings		
– Secured	236.25	236.25
– Unsecured	235.70	235.70
Current maturities of long term borrowing/ finance lease obligations	181.12	181.12
Long term borrowings		
– Secured	642.59	642.59
– Unsecured	488.49	488.49
Current maturities of long term borrowing/ finance lease obligations	(181.12)	(181.12)
Total debt (A)	**1,603.03**	**1,603.03**
Equity		
Equity share capital	10.12	11.02
Other equity	532.67	931.76
Non-controlling interest	-	-
Total equity (B)	**542.79**	**942.78**
Total capitalization (A+B)	**2,145.82**	**2,545.81**
Total Debt/ Total equity (A/B)	**2.95**	**1.70**

 # Adjustments do not include Issue related expenses
^ As adjusted to reflect the number of Equity Share issued pursuant to the Issue

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Placement Document is set forth below:

	Particulars	Aggregate nominal value at face value *(in ₹)*#
A	**AUTHORISED SHARE CAPITAL**	
	25,000,000 Equity Shares of face value of ₹ 5 each	125,000,000
	2,500,000 Preference Shares of face value of ₹ 10 each	25,000,000
	Total	**150,000,000**
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	20,232,104 Equity Shares of face value of ₹ 5 each	101,160,520
	Total	**101,160,520**
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT**	
	1,814,058 Equity Shares aggregating to ₹ 400.00 crores(1)	9,070,290
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	22,046,162 Equity Shares(1) of face value of ₹ 5 each	110,230,810
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue	Nil
	After the Issue(2)	3,990,927,600

(1) *This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on July 3, 2024. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution passed by way of postal ballot on August 13, 2024.*

(2) *The securities premium account after the Issue is calculated on the basis of Gross Proceeds of the Issue. Adjustments do not include Issue related expenses.*

Except for securities premium account

Equity Share capital history of our Company

The history of the Equity Share capital of our Company as on the date of this Placement Document is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face value per Equity Share (₹)	Offer price per Equity Share (₹)	Nature of transaction	Nature of consideration	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
August 29, 2017	2,500*	10.00	10.00	Initial subscription to the Memorandum of Association	Cash	2,500	25,000
August 11, 2023	2,500	10.00	-	Cancellation of equity shares pursuant to Composite Scheme of Arrangement	-	-	-
August 31, 2023	20,232,104**	5.00***	N.A.	Allotment pursuant to the Composite Scheme of Arrangement	Other than cash	20,232,104	101,160,520

***** *Allotment of 2,499 equity shares to Gopalakrishnan Viswanathan and one equity share to Vangipuram Navaneetham Venkatanathan, holding the equity shares as the nominees on behalf of TVS Credit Services Limited, which was the beneficial owner of such equity shares.*

*** Allotment of 20,232,104 Equity Shares to the eligible shareholders of TVS Holdings Limited (formerly known as Sundaram – Clayton Limited) whose name is recorded in the register of members and records of the depository as members of TVS Holdings Limited (formerly known as Sundaram - Clayton Limited) as on the Record Date 2 fixed for the purpose, pursuant to the Composite Scheme of Arrangement.*

**** Pursuant to the Composite Scheme of Arrangement, the authorized share capital is increased, and the face value of the equity share is sub-divided, such that the authorized share capital of 2,500 equity shares bearing face value of ₹10 each was altered to 25,000,000 Equity Shares bearing face value of ₹5 each and 2,500,000 Preference Shares bearing face value of ₹10 each.*

Except as stated in "– *Equity Share capital history of our Company*" above, our Company has not made any allotment of Equity Shares in the one year immediately preceding the date of this Placement Document, including for consideration other than cash.

Preference shares

As on the date of this Placement Document, our Company does not have any outstanding preference shares.

Proposed Allottees in the Issue

In compliance with the requirements prescribed under the SEBI ICDR Regulations, Allotment shall be made at the sole discretion of our Company in consultation with the BRLMs to Eligible QIBs. For details of the names of the proposed Allottees and the percentage of the post-Issue Equity Share capital that may be held by them, see "*Details of Proposed Allottees*" on page 493.

Pre-Issue and post-Issue shareholding pattern

The following table provides the pre-Issue shareholding pattern and the post-Issue shareholding pattern:

Sr. No.	Category	Pre-Issue^		Post-Issue*	
		Number of Equity Shares held	% of shareholding	Number of Equity Shares held	% of shareholding
A.	**Promoters' holding****				
1.	Indian				
	Individual	1,189,386	5.88	1,189,386	5.39
	Bodies corporate	1,514,378	7.49	1,514,378	6.87
	Trusts	10,943,387	54.09	10,943,387	49.64
	Sub-total	**13,647,151**	**67.45**	**13,647,151**	**61.90**
2.	Foreign promoters	-	-	-	-
	Sub-total (A)	**13,647,151**	**67.45**	**13,647,151**	**61.90**
B	**Non-Promoter holding**				
1.	Institutional investors	2,664,179	13.17	4,478,237	20.31
2.	Non-Institutional investors				
	Body Corporate	378,385	1.87	378,385	1.72
	Directors and relatives	363	Negligible	363	Negligible
	Indian public	3,104,336	15.34	3,104,336	14.08
	Others including Non- resident Indians (NRIs)	437,690	2.16	437,690	1.99
	Sub-total (B)	**6,584,953**	**32.55**	**8,399,011**	**38.10**
	Grand Total (A+B)	**20,232,104**	**100.00**	**22,046,162**	**100.00**

^*Based on beneficiary position data of our Company as on September 27, 2024.*

**The post-Issue shareholding pattern reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of September 27, 2024.*

***Includes shareholding of our Promoter Group as well.*

Other confirmations

(i) Pursuant to the Scheme of Arrangement, all assets and liabilities of the erstwhile Sundaram-Clayton Limited have been vested with our Company with effect from August 11, 2023 pursuant to which our Equity Shares were listed on December 29, 2023 (in accordance with the BSE and NSE listing approvals, each dated December 27, 2023). In accordance with the proviso to the Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the Transferee Company have been listed for a period of at least one year prior to the date of the issuance of the postal ballot notice to our Shareholders, i.e., July 3, 2024, for approving the Issue, and is accordingly in compliance with Regulation 172 of the SEBI ICDR Regulations.

(ii) As on the date of filing of this Placement Document, our Company does not have any employee stock option scheme.

(iii) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

(iv) Our Company has not allotted any securities on preferential basis in the last one year preceding the date of this Placement Document.

(v) There would be no change in control in our Company consequent to the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of the Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottees for a period of one year from the date of Allotment, except on the Stock Exchanges.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during (i) three months period ended June 30, 2024; (ii) Fiscal 2024; (iii) Fiscal 2023; and (iv) Fiscal 2022, as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules 2015, as amended and as reported, see "*Financial Information*" on page 281.

DIVIDENDS

The declaration and payment of final dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act. See *"Description of the Equity Shares"* on page 269.

Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on August 11, 2023, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors, including but not limited to distributable surplus available, liquidity position and future cash flow needs, track record of dividends distributed, payout ratios of comparable companies, prevailing taxation policy, statutory provisions and guidelines, capital expenditure requirements, cost and availability of alternative sources of financing and other factors that the Board may considered relevant from time to time.

The following table details the dividend declared and paid or payable by our Company on the Equity Shares in respect of the period between July 1, 2024 till the date of filing of this Placement Document, three months period ended June 30, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Period	Face Value of Equity Share (₹)	Dividend per Equity Share (₹)	Total amount of dividend# (₹ in crores)	Dividend rate (%)	Mode of payment	Aggregate Dividend
From July 1, 2024 till the date of filing of this Placement Document	5.00	Nil	Nil	-	-	-
For the three months period ended June 30, 2024	5.00	Nil	Nil	-	-	-
Fiscal 2024	5.00	5.15	10.42	103.00	Online and multi-city cheques	10.42
Fiscal 2023	5.00	Nil	Nil	-	-	-
Fiscal 2022	5.00	Nil	Nil	-	-	-

#*Including unclaimed dividend.*

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future or that the amount thereof will not be decreased. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See "*Description of the Equity Shares*" on page 269. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "*Risk Factors – 64. Our Company may not be able to pay dividends in the future. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, profit after tax available for distribution, cash flows, working capital requirements and capital expenditure and the terms of our financing arrangements.*" on page 71.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is intended to convey the management's perspective on our financial condition and results of operations is derived from and should be read in conjunction with "Financial Information" on page 281.

This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" on page 17. Also see "Risk Factors" and "– Significant Factors Affecting our Results of Operations and Financial Condition" on pages 43 and 89, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Unless the context otherwise requires, in this section, references to "the Company" or "our Company" are to Sundaram-Clayton Limited on a standalone basis, while "we", "us" and "our" refer to Sundaram-Clayton Limited on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of the Automotive die-casting market in India, USA and Europe" dated September 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics (CRISIL MI&A), ("**CRISIL**"), exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – 50. Certain sections of this Placement Document disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent riskson page 64. Also see, "Presentation of Financial and Other Information" and "Industry and Market Data" on pages 12 and 15.*

OVERVIEW

For information in relation to our business, see "*Our Business*" on page 201.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from the Proforma Condensed Combined Financial Information of our Company included in this Placement Document.

Macroeconomic Influences and Key Factors Impacting the Industries We Operate In

We are exposed to fluctuations in the performance of the automotive industry and the product segments that we cater to. Our sales are directly dependent on the production level of this industry, and are affected by inventory levels of manufacturers operating in this industry. Further, production and sales of automotives is affected by a variety of other factors that are beyond our control, including changes in government policies, changes in consumer demand, fuel prices, vehicle electrification, economic conditions, demographic trends, employment and income levels and interest rates, disruptions in this industries' supply chain, vehicle age, labour relations, regulatory requirements, credit availability and cost of credit and general economic and industry conditions.

These conditions may lead to fluctuations in the automotive industry, potentially increasing or decreasing demand depending on market responses and external factors. The cyclycal nature of broader macroeconomic conditions, and by extension the automovitce industry, causes significant fluctuations in our results of operations from one period to the next. We anticipate that these factors will remain the primary influence on our revenues and performance. While factors such as our competitiveness, product quality and pricing impact our market share and ability to attract customers in competitive situations, the overall trajectory has a more substantial impact on our revenues and operational outcomes.

See "*Industry Overview*" on page 119, for a discussion of macroeconomic conditions in the global economy and Indian economy, respectively, and a more detailed description of the automotive components industries in the markets in which we operate.

Key Customers

We derive a significant portion of our revenue from a limited numbers of customers. Our key customers include Cummins, Hyundai Motors, Daimler and TVS Motor Company. Loss of all or a significant portion of sales to any of such key customers, for any reason (including the loss of contracts or inability to negotiate favourable terms, failure to meet their quality specification, technological changes, a decline in market share of these customers in their respective industries or high growth segments, disputes with these customers, adverse changes in their financial condition, insolvency or bankruptcy of these customers, decrease in their sales, facility closures, any action undertaken by the government affecting business of these customers, or labour strikes affecting their production), could have an adverse impact our business, results of operations, financial condition, and cash flows.

The demand from our customers determines our revenue levels and results of operations, and our revenue are directly affected by production and inventory levels of our customers. The volume and timing of sales to our key customers may vary due to variation in demand for such customers' products or on account of their manufacturing and growth strategy. These customers may change their outsourcing strategy by moving more work in-house, replace us with our competitors, or replace their existing products with alternative products, components of which we do not supply. The loss of any one or more of such key customers or a substantial reduction in demand from such key customers in the future could have an adverse effect on our business, results of operations, financial condition, and cash flows.

Expansion in Production Capacity

We intend to produce higher volumes of products from each of our manufacturing facilities and spread our fixed costs to reduce our production costs on a per unit basis, allowing us to reduce our unit sales price and increase our competitiveness. We employ continued efforts to optimize our manufacturing systems and processes. We aim to further synchronize our operations with customer demand to ensure better planning and execution systems along with gaining control over inventories in the pipeline. We implement continuous improvement projects in all of our manufacturing facilities to enhance product quality and operational efficiency. Re-energizing TPM practices has helped us in improving the equipment reliability and consequently the manufacturing facilities' overall equipment effectiveness. We have also initiated various projects towards deploying processes for automation and the employment of smart machines which will help us to produce more products efficiently and increase productivity across the value chain. In particular, we aim to have Industry 4.0 compliant manufacturing facilities with robotics and well-researched material flow layouts. We plan to scale up these practices to bring significant gains in operational efficiencies across manufacturing locations. With scaled up manufacturing capabilities, we expect to gain prominence in the automotive components industry due to the growing trend towards light-weighting of vehicles. We are also in the process of enhancing our manufacturing capability to address the structural and alternate powertrain / electric vehicles components. We intend to continue enhancing our operational efficiencies to increase economies of scale, lower our fixed and operating costs and strengthen our competitive position. We are also focused on improving capacity utilization at our manufacturing facilities by increasing our overall production volumes. The success of these expansion plants depends on our management's ability to identify high growth potential opportunities and utilise our resources to develop these opportunities, which could have a significant impact on our results of operations.

Availability of Financial Resources for Capital Expenditures and Working Capital Requirements

The nature of the industry in which we operate results in a substantial capital expenditure and working capital requirements. Over the years, we have invested significantly in expanding and upgrading our facilities which are equipped to undertake a variety of processes, including melting, casting and machining facilities. In Fiscals 2024, 2023 and 2022, our capital expenditure was ₹ 409.26 crores, ₹ 187.50 crores and ₹ 100.10 crores, respectively. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen events beyond our control, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, weather related delays, technological changes and additional market developments and new opportunities in the industries we operate.

Material Expenses, Operational Costs, and Performance Efficiencies

While we depend on a select few suppliers, we have a large base of suppliers in which we source our raw materials from. We do not have long-term contracts for the purchase of raw materials. We typically source such raw materials by placing purchase orders from time to time. The primary raw material that we use to manufacture our products is aluminum. Any reductions or interruptions in the supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, may have an adverse effect on our ability to manufacture our products in a timely or cost-effective manner.

Prices of certain raw materials we rely on, such as aluminium, are linked to commodity markets and thus subject to fluctuation. Our cost of raw materials consumed was ₹ 1,189.60 crores, ₹ 1,130.63 crores and ₹ 956.04 crores, and constituted 53.56%, 54.81% and 56.37% of our total income in Fiscals 2024, 2023 and 2022, respectively. Our company purchases aluminium at prices that are directly negotiated with our suppliers on a regular basis. By virtue of the price adjustments clauses in the purchase agreements with customers, we have limited exposure to the risk of market price fluctuations. Our alloy suppliers are primarily from India and Southeast Asia. The cost of raw materials, particularly from suppliers in India and Southeast Asia, is subject to considerable variability due to numerous factors beyond our control. These factors include global supply and demand trends, political and economic conditions, labour issues, transportation disruptions, natural disasters, competition, and fuel price volatility. Additionally, uncertainties related to import duties, energy tariffs and currency exchange rates contribute to the difficulty of predicting raw material costs. This unpredictability can have a significant impact on our expenses. Moreover, fluctuations in global fuel prices can further drive up these costs. Contractual agreements and hedging strategies, if any, may also affect our overall raw material costs, operating costs and efficiencies.

PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

Income

Our total income comprises (i) revenue from operations; and (ii) other income.

Revenue from Operations

Revenue from operations comprise (i) sale of products, and (ii) other operating revenue. We derive our revenue from the sale of casting parts, machined parts and dies and tools.

Other Income

Other income comprises (i) dividend income (a) from subsidiary, and (b) from others; and (ii) interest income; (iii) gain on foreign currency transactions and translation; (iv) lease income; (v) profit on sale of property, plant and equipment; (vi) miscellaneous income.

Expenses

Our expenses comprise (i) cost of materials consumed, (ii) changes of finished goods, work-in-progress and stock-in-trade, (iii) employee benefits expense, (iv) finance costs, (v) depreciation and amortization expense, (vi) other expenses.

Cost of Material Consumed

Cost of material consumed consists of raw materials, namely aluminum alloys, bought out parts, dies and other child parts and carriage inwards.

Changes of Finished Goods, Work-in-Progress and Stock-in-Trade

Changes of finished goods, work-in-progress and stock-in-trade consists of opening stock and closing stock of work-in-progress and finished goods.

Employee Benefits Expense

Employee benefit expenses primarily include (i) salaries, wages, and bonus; (ii) contribution to provident and other funds, gratuity expenses; and (iii) welfare expenses.

Finance Costs

Finance costs comprise (i) interest; (ii) interest on lease liabilities; and (iii) other borrowing costs.

Depreciation and Amortisation Expense

Depreciation and amortisation expense comprise: (i) depreciation on property, plant and equipment; (ii) depreciation on right-of-use asset; (iii) amortisation of intangible assets; and (iv) amortisation on leasehold land.

Other Expenses

Other expenses comprise: (i) consumption of stores, spares and tools; (ii) power and fuel; (iii) repairs – buildings; (iv) repairs – plant and equipment; (v) repairs – others; (vi) insurance; (vii) rates and taxes (excluding taxes on income) (viii) audit fees; (ix) packing and freight charges; (x) loss on sale of property, plant and equipment; and (xi) miscellaneous expenses.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS BASED ON THE AUDITED FINANCIAL STATEMENTS / JUNE 2024 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Our Company's Fiscal commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2024, 2023 and 2022 included herein is derived from the Audited Financial Statements, included in this Placement Document. Further the information for the three months ended June 30, 2024 is derived from the June 2024 Interim Condensed Consolidated Financial Statements. For further information, see "Financial Information" on page 281.

PRESENTATION OF FINANCIAL INFORMATION

In this Placement Document, we have included (i) audited consolidated financial statements as of and for the year ended March 31, 2024 along with the audit report thereon; (ii) audited standalone financial statements as of and for the year ended March 31, 2023 along with the audit report thereon; (iii) audited standalone financial statements as of and for the year ended March 31, 2022 along with the audit report thereon; (iv) interim condensed consolidated financial statements as of and for the three months ended June 30, 2024, along with the review report thereon; and (iii) unaudited consolidated financial results as of and for the three months ended June 30, 2024 submitted by the Company to the Stock Exchanges pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, along with the review report thereon.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

Revenue recognition

Sale of automotive components

Revenue is recognized when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time we have a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or we have objective evidence that all criteria for acceptance have been satisfied.

Sale of Services

Revenue from Services is recognised in the accounting period in which the services are rendered.

Significant judgements

There are no significant judgements made by us in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, we use the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

Dividend

Any dividend declared our Company is based on the profits available for distribution as reported in the statutory Standalone financial statements. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory Standalone financial statements after providing for depreciation as per the Companies Act, 2013. However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014.

Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation / amortization and impairment, if any. Cost includes:

- purchase price,
- taxes and duties,
- labour cost, and
- Directly attributable overheads incurred up to the date the asset is ready for its intended use.

However, cost excludes GST, to the extent credit of the duty or tax is availed of. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred. Government grants relating to the purchase of property, plant and equipment are capitalized and included as cost to property, plant and equipment. Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other gains/ (losses).

Depreciation

Depreciation on tangible property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated by a Chartered Engineer, on straight line method and in accordance with Ind AS 16, taking into consideration both usage, useful life and legal limitations on the use of assets, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the tangible property, plant & equipment as assessed by the Chartered Engineer and followed by us is furnished below:

Description	Years
Factory building and other buildings	30 and 64
Plant and equipment	8 to 21
Electrical equipment	15
Furniture and fixtures	10
Computers	3
Mobile phones	1
Vehicles	6

The residual value for all the above assets are retained at 5% of the cost except for Mobile phones for which nil residual value is considered. Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

On tangible property, plant & equipment added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

Depreciation in respect of tangible assets costing individually less than ₹ 5,000/- is provided at 100%.

Premium on Leasehold land is amortized over the period of lease.

Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 34 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred. The intangible assets are amortised on straight line basis over its useful life, viz., 2 years in the case of software.

Impairment

At each balance sheet date, we assess whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

When necessary, the entire carrying amount of the Equity accounted investments is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's/CGU's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit) for which the estimates of future cash flows have not been adjusted.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Foreign currency transactions

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). i.e. in Indian rupees ("**INR**") and all values are rounded off to nearest crores except where otherwise indicated.

Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

- Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

- Non-monetary items denominated in foreign currency such as investments, property, plant and equipment, etc., are valued at the exchange rate prevailing on the date of transaction.

- Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;

- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting exchange differences are recognized in other comprehensive income.

Hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. We designate certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges);

- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges); or

- hedges of a net investment in a foreign operation (net investment hedges).

We document at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as our risk management objective and strategy for undertaking various hedge transactions. We also document our assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, we generally designate only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity.

In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects the Statement of Profit and Loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs.

When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss within other gains/ (losses).

Inventories

Inventories are valued at the lower of cost and net realizable value.

- Cost of raw materials, components, stores, spares are determined on a moving average basis.
- Finished Goods and Work in Progress are valued at Standard cost.
- Cost of finished goods and work-in-process comprises of direct materials, direct labour and an applicable proportion of variable and fixed overhead expenditure, fixed overhead expenditure absorbed on the basis of normal operating capacity.
- Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

Employee benefits

Short term obligations

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, recognized and provided for at the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligation

We operate the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for eligible senior managers; and
- Defined contribution plan such as provident fund.

Pension and gratuity obligation

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Provident fund

The eligible employees of our Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and our Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by us. We are generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognizes such contributions and shortfall, if any, as an expense in the year in which it is incurred.

Bonus plans

We recognize a liability and an expense for bonus. We recognize a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Taxes on income

Tax expense comprises of (i) current tax and (ii) deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and we will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes receivable. Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss as and when the obligations are fulfilled and presented within other income. In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in "Other Income" on completion of export obligation as approved by Regulatory Authorities.

Provisions and contingent liabilities

Provision

A provision is recorded when we have a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is accounted based on technical evaluation, when the products are sold. Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

Contingent liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

We operate in only one segment – die casting of automotive components.

Leases

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by us.

Contracts may contain both lease and non-lease components. We allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which we are a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by us under residual value guarantees
- the exercise price of a purchase option if we are reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects us exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in our Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, we:

- where possible, use recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;

- use a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by us which does not have recent third party financing; and

- make adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Variable lease payments that depend on sales are recognized in profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;

- any lease payments made at or before the commencement date less any lease incentives received

- any initial direct costs; and

- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If we are reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts with negative balance are reflected as current liabilities in the balance sheet.

Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

Contract Liabilities

A contract liability is the obligation to transfer goods to a customer for which the we have received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before we transfer goods or services to the customer, a contract liability is recognized when the consideration is received. Contract liabilities are recognized as revenue when we perform under the contract.

Investments and Other Financial Assets

Classification

We classify its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and

- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

Measurement

At initial recognition, we measure a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Equity instruments

We subsequently measure all investments in equity (except of the subsidiaries / associates) at fair value. Where our management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when our right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where we elect to measure fair value through profit and loss, changes in the fair value of such financial assets are recognized in the statement of profit and loss.

Impairment of financial assets

We assess on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk.

For trade receivables, we apply the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Derecognition of financial assets

A financial asset is derecognized only when:

- we have transferred the rights to receive cash flows from the financial asset or

- we retain the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, we evaluate whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if we have not retained control of the financial asset. Where we retain control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income recognition

Dividend income

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to our Company, and the amount of dividend can be reliably measured.

Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gain/ (loss).

Borrowings are classified as current liabilities unless we have an unconditional right to defer settlement of the liability for over or at least 12 months after the reporting period.

Current and Non-Current Classification

We present assets and liabilities in the balance sheet based on current / non-current classification. Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. In our considered view, twelve months is its operating cycle for all entities within our Company.

Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies in the last three Fiscals and in the three months ended June 30, 2024.

RESULTS OF OPERATIONS

The following table sets forth select financial data from our statement of profit and loss for the three months ended June 30, 2024 and Fiscal 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income for such period/ years.

Particulars	Three months ended June 30, 2024 (Consolidated)		Fiscal 2024 (Consolidated)		Fiscal 2023 (Standalone)		Fiscal 2022 (Standalone)	
	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)
Income								
Revenue from operations	580.43	99.23%	1,415.31	97.66%	-	-	-	-
Other income	4.52	0.77%	33.88	2.34%	-	-	-	-
Total income	**584.95**	**100.00%**	**1,449.19**	**100.00%**	-	-	-	-
Expenses								
Cost of materials consumed	326.12	55.75%	763.95	52.72%	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14.57)	(2.49)%	(7.51)	(0.52)%	-	-	-	-
Employee benefits expense	99.89	17.08%	222.86	15.38%	-	-	-	-
Finance costs	26.19	4.48%	57.47	3.97%	-	-	-	-
Depreciation and amortization expense	38.11	6.52%	103.24	7.12%	-	-	-	-
Other expenses	159.23	27.22%	405.17	27.96%	-	-	-	-
Total expenses	**634.97**	**108.55%**	**1,545.18**	**106.62%**	-	-	-	-
Profit/(Loss) before exceptional items, share of net profit of investment and tax	**(50.02)**	**(8.55)%**	**(95.99)**	**(6.62)%**	-	-	-	-
Share of net profit from associates using equity method	0.09	0.02%	0.22	0.02%	-	-	-	-
Profit before exceptional items and tax	**(49.93)**	**(8.54)%**	**(95.77)**	**(6.61)%**	-	-	-	-

Particulars	Three months ended June 30, 2024 (Consolidated)		Fiscal 2024 (Consolidated)		Fiscal 2023 (Standalone)		Fiscal 2022 (Standalone)	
	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)
Exceptional items – income/ (expense)	-	-	(1.60)	(0.11)%	-	-	-	-
Profit before tax	**(49.93)**	**(8.54)%**	**(97.37)**	**(6.72)%**	-	-	-	-
Income tax expense								
Current tax	4.87	0.83%	27.04	1.87%	-	-	-	-
Deferred tax	1.05	0.18%	(4.28)	(0.30)%	-	-	-	-
Income tax expense	5.92	1.01%	**22.76**	**1.57%**	-	-	-	-
Profit/ (loss) after tax for the year/ quarter	**(55.85)**	**(9.55)%**	**(120.13)**	**(8.29)%**	-	-	-	-
Other comprehensive income								
Items that will not be reclassified to profit and loss								
Remeasurement of post employment benefit obligations	(1.67)	(0.29)%	(1.69)	(0.12)%	-	-	-	-
Change in fair value of equity instruments	-	-	-	-	-	-	-	-
Income tax relating to these items	0.42	0.07%	0.43	0.03%	-	-	-	-
Items that will be reclassified to profit and loss								
Transactions relating to derivative instruments	-	-	(0.45)	(0.03)%	-	-	-	-
Income tax relating to these items	-	-	0.11	0.01%	-	-	-	-
Foreign currency translation reserve of subsidiaries	(0.27)	(0.05)%	-	-				
Other comprehensive income for the year/ quarter, net of tax	**(1.52)**	**(0.26)%**	**(1.60)**	**(0.11)%**	-	-	-	-
Total comprehensive income attributable to owners	**(57.37)**	**(9.81)%**	**(121.73)**	**(8.40)%**	-	-	-	-

Three months ended June 30, 2024

Total Income

Our total income was ₹ 584.95 crores in the three months ended June 30, 2024.

Revenue from operations

Our revenue from operations was ₹ 580.43 crores in the three months ended June 30, 2024.

Other Income

Our other income was ₹ 4.52 crores in the three months ended June 30, 2024.

Total expenses

Our total expenses was ₹ 634.97 crores in the three months ended June 30, 2024.

Cost of Materials Consumed

Our cost of materials consumed was ₹ 326.12 crores in the three months ended June 30, 2024.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in trade was ₹ (14.57) crores in the three months ended June 30, 2024.

Employee Benefit Expenses

Our employee benefit expenses was ₹ 99.89 crores in the three months ended June 30, 2024.

Finance costs

Our finance costs was ₹ 26.19 crores in the three months ended June 30, 2024.

Depreciation and amortisation expense

Our depreciation and amortisation expense were ₹ 38.11 crores in the three months ended June 30, 2024.

Other Expenses

Other expenses were ₹ 159.23 crores in the three months ended June 30, 2024.

Profit/(Loss) before exceptional items, share of net profit of investment and tax

Our loss before exceptional items, share of net profit of investment and tax was ₹ 50.02 crores in the three months ended June 30, 2024.

Profit before exceptional items and tax

Our loss before exceptional items and tax was ₹ 49.93 crores in the three months ended June 30, 2024.

Exceptional items - income/ (expense)

Our exceptional items - income/ (expense) was nil in the three months ended June 30, 2024.

Income Tax Expense

Our current tax expense was ₹ 4.87 crores in the three months ended June 30, 2024, and deferred tax expense was ₹ 1.05 crores in the three months ended June 30, 2024. Accordingly, income tax expense was ₹ 5.92 crores in the three months ended June 30, 2024.

Profit/(Loss) for the Quarter

Our loss for the quarter was ₹ 55.85 crores in the three months ended June 30, 2024.

Fiscal 2024 compared with Fiscal 2023

Key Developments

Pursuant to a composite scheme of arrangement filed under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, the entire business of manufacturing non-ferrous gravity and pressure die castings ("**Demerged Undertaking**") of the erstwhile Sundaram-Clayton Limited (now known as TVS Holdings Limited) was demerged into our Company. As a part of the composite scheme of arrangement, the Demerged Undertaking was transferred to our Company with effect from August 11, 2023. Accordingly, the financial information for Fiscal 2024 is not comparable with Fiscal 2023.

Total Income

Our total income was ₹ 1,449.19 crores in Fiscal 2024. Our Company's total income in Fiscal 2023 was nil.

Revenue from operations

Our revenue from operations was ₹ 1,415.31 crores in Fiscal 2024. Our Company's revenue from operations in Fiscal 2023 was nil.

Other Income

Our other income was ₹ 33.88 crores in Fiscal 2024. Our Company's other income in Fiscal 2023 was nil.

Total Expenses

Our total expenses was ₹ 1,545.18 crores in Fiscal 2024. Our Company's total expenses in Fiscal 2023 was nil.

Cost of Materials Consumed

Our cost of materials consumed was ₹ 763.95 crores in Fiscal 2024. Our Company's cost of materials consumed in Fiscal 2023 was nil.

Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹ (7.51) crores in Fiscal 2024. Our Company's changes in inventories of finished goods, work-in-progress and stock-in-trade in Fiscal 2023 was nil.

Employee Benefit Expenses

Employee benefit expenses was ₹ 222.86 crores in Fiscal 2024. Our Company's employee benefit expenses in Fiscal 2023 was nil.

Finance Costs

Finance costs was ₹ 57.47 crores in Fiscal 2024. Our Company's finance costs in Fiscal 2023 was nil.

Depreciation and Amortisation Expense

Depreciation and amortisation expenses was ₹ 103.24 crores in Fiscal 2024. Our Company's depreciation and amortisation expense in Fiscal 2023 was nil.

Other Expenses

Other expenses was ₹ 405.17 crores in Fiscal 2024. Our Company's other expenses in Fiscal 2023 was nil.

Profit before exceptional items and tax

Our profit before exceptional items and tax was ₹ (95.77) crores in Fiscal 2024. Our Company's profit before exceptional items and tax in Fiscal 2023 was nil.

Exceptional items – income/ (expense)

Our exceptional items – income/ (expense) was ₹ (1.60) crores in Fiscal 2024. Our Company's exceptional items – income/ (expense) in Fiscal 2023 was nil.

Income Tax Expense

Our current tax expense was ₹ 27.04 crores in Fiscal 2024, and deferred tax credit was ₹ 4.28 crores in Fiscal 2024. Accordingly, income tax expense was ₹ 22.76 crores in Fiscal 2024. Our Company's income tax expense in Fiscal 2023 was nil.

Profit/(Loss) for the period

As a result of the foregoing factors, our profit for the period was ₹ (120.13) crores in Fiscal 2024. Our Company's profit/(loss) for the period in Fiscal 2023 was nil.

Fiscal 2023 compared with Fiscal 2022

Key Developments

Pursuant to a composite scheme of arrangement filed under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, the entire business of manufacturing non-ferrous gravity and pressure die castings ("**Demerged Undertaking**") of the erstwhile Sundaram-Clayton Limited (now known as TVS Holdings Limited) was demerged into our Company. As a part of the composite scheme of arrangement, the Demerged Undertaking was transferred to our Company with effect from August 11, 2023. Accordingly, our Company did not have any operations for Fiscals 2023 and 2022.

LIQUIDITY AND CAPITAL RESOURCES

We finance the expansion of our business and operations through a combination of internal accruals and external borrowings.

Cash Flows

The following table sets forth certain information relating to our cash flows in the years/ periods indicated:

Particulars	Three months ended June 30, 2024	Fiscal		
		2024	2023	2022
	(Consolidated)	(Consolidated)	(Standalone)	(Standalone)
	(₹ crores)			
Net cash from/(used in) operating activities	(7.14)	45.50	-	-
Net cash from/(used in) investing activities	(139.93)	(277.58)	-	-
Net cash inflow/ (outflow) from financing activities	156.02	151.02	-	-
Net increase/(decrease) in cash and cash equivalents	8.95	(81.06)	-	-

Operating Activities

Three months ended June 30, 2024

Net cash used in operating activities was ₹ 7.14 crores in the three months ended June 30, 2024. In the three months ended June 30, 2024, our net loss before tax was ₹ 49.93 crores. Primary adjustments consisted of depreciation and amortisation for the quarter of ₹ 38.11 crores and interest expense of ₹ 26.19 crores.

Operating profit before working capital changes was ₹ 14.71 crores in the three months ended June 30, 2024. The main working capital adjustments in the three months ended June 30, 2024 included trade payables of ₹ 44.71 crores, inventories of ₹ 25.84 crores, other current assets of ₹ 23.89 crores, other non-current assets of ₹ 18.36 crores, other bank balances of ₹ 10.38 crores and trade receivables of ₹ 8.40 crores. Cash used in operations was ₹ 3.83 crores in the three months ended June 30, 2024. Direct taxes paid was ₹ 3.31 crores.

Fiscal 2024

Net cash from operating activities was ₹ 45.50 crores in Fiscal 2024. In Fiscal 2024, our net loss before tax was ₹ 97.37 crores. Primary adjustments consisted of depreciation and amortisation for the period of ₹ 103.24 crores and interest expense of ₹ 57.47 crores.

Operating profit before working capital changes was ₹ 59.37 crores in Fiscal 2024. The main working capital adjustments in Fiscal 2024 included increase in inventories of ₹ 36.28 crores, decrease in trade receivables of ₹ 41.79 crores, decrease in other current assets of ₹ 52.42 crores, increase in trade payables of ₹ 51.88 crores and increase in provisions of ₹ 40.15 crores and decrease in other non-current assets of ₹ 18.32 crores. Cash generated from operations was ₹ 70.28 crores in Fiscal 2024. Direct taxes paid was ₹ 24.78 crores.

Fiscal 2023

We had no cash flows from operating activities in Fiscal 2023.

Fiscal 2022

We had no cash flows from operating activities in Fiscal 2022.

Investing Activities

Three months ended June 30, 2024

Net cash used in investing activities in the three months ended June 30, 2024 was ₹ 139.93 crores, primarily due to additions to property, plant and equipment (including capital work in progress) of ₹ 146.17 crores.

Fiscal 2024

Net cash used in investing activities in Fiscal 2024 was ₹ 277.58 crores, primarily due to additions to property, plant and equipment (including capital work in progress) of ₹ 273.28 crores and purchase of investments of ₹ 11.50 crores. These were partially offset by net movement on account of demerger of ₹ 4.81 crores.

Fiscal 2023

We had no cash flows from investing activities in Fiscal 2023.

Fiscal 2022

We had no cash flows from investing activities in Fiscal 2022.

Financing Activities

Three months ended June 30, 2024

Net cash inflow from financing activities in the three months ended June 30, 2024 was ₹ 156.02 crores, primarily on account of net borrowings on term loans availed of ₹ 194.49 crores, which was partially offset by interest paid of ₹ 19.52 crores.

Fiscal 2024

Net cash inflow from financing activities in Fiscal 2024 was ₹ 151.02 crores, primarily on account of net borrowings of short term borrowings availed of ₹ 229.12 crores, which was partially offset by interest paid of ₹ 52.00 crores and net borrowings of term loans repaid of ₹ 16.27 crores.

Fiscal 2023

We had no cash flows from financing activities in Fiscal 2023.

Fiscal 2022

We had no cash flows from financing activities in Fiscal 2022.

INDEBTEDNESS

As of June 30, 2024, we had total secured borrowings of ₹ 878.84 crores. The following table sets forth certain information relating to maturity profile of our outstanding borrowings as of June 30, 2024:

(₹ crores)

Particulars	Total	Less Than 1 Year	1 – 2 Years	2 -3 Years	More than 3 Years
Secured Long term Borrowings	642.59	89.20	167.41	161.96	224.02
Secured Short term Borrowings	236.25	236.25	-	-	-
Total	**878.84**	**325.45**	**167.41**	**161.96**	**224.02**

CONTINGENT LIABILITIES

The table below sets forth our contingent liabilities as per Ind AS 73 as of June 30, 2024:

Particulars	Amount (₹ crores)
Claims against group not acknowledged as debt – GST demand	1.50

CAPITAL COMMITMENTS

The table below sets forth our capital commitments as of June 30, 2024:

Particulars	As of June 30, 2024 (₹ crores)
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	242.77

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. Related parties with whom transactions have taken place during the year include TVS Motor Company Limited, TVS Holdings Limited, Sundaram Auto Components, TVS Credit Services Limited and Emerald Haven Reality Limited. The tables below provide details of our aggregate related party transactions and the percentage of such related party transactions to our revenue from operations in the years/ periods indicated:

Particulars	Three months ended June 30, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(Consolidated)	(Consolidated)	(Standalone)	(Standalone)
Total related party transactions (₹ crores)	118.85	309.15	-	-
Total related party transactions, as a percentage of revenue from operations (%)	20.48%	21.84%	-	-

INTEREST COVERAGE RATIO

The table below provides the reconciliation of our interest coverage ratio for the periods indicated:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022
	(Consolidated)	(Standalone)	(Standalone)
Profit before exceptional items and tax (A)	(95.99)	(0.00)	(0.01)
Depreciation excluding Notional Depreciation (B)	99.93	-	-
Finance Cost excluding interest on Lease liabilities (C)	57.06	-	-
Adjusted Profit (D=A+B+C)	61.00	(0.00)	(0.01)
Finance Cost (E)	57.06	-	-
Interest Coverage Ratio (times) (F=D/E)	**1.07**	**(0.00)**	**(0.00)**

AUDITOR OBSERVATIONS

Our Statutory Auditors have not included any reservations, qualifications, adverse remarks or emphasis of matters in their audit reports in the last five Fiscals and the three months ended June 30, 2024.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities expose us to market risk, liquidity risk and credit risk. This note explains the sources of risk which we are exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Foreign exchange risk

We operate internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not our functional currency ("**INR**"). The risk is measured through a forecast of highly probable foreign currency cash flows. We have a foreign exchange ("**forex**") management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

Interest rate risk

Our main interest rate risk arises from long-term borrowings with variable rates, which expose us to cash flow risk. Our policy is to maintain most of our borrowings at fixed rate using interest rate swaps. Our fixed rate borrowings are carried at amortised cost. Foreign currency borrowings are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Liquidity risk

Our liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. We prepare a detailed annual operating plans to assess the fund requirements – both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. We have pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, we target various options such as rupee term loan, external commercial borrowing, debentures etc. We obtain a credit rating for the various borrowing facilities on annual basis. We constantly monitor the free cashflow from operations to ensure that the borrowings are minimized.

Credit risk

Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. We consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, we compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information (more specifically described below). A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Cash and Cash Equivalents

Surplus cash is deposited only with banks / financial institutions with a high external credit rating.

Domestic Trade Receivables

We extend credit to the customers and such extension of credit is based on customers' credit worthiness, ability to repay and past track record. We have extensive reporting systems and review to constantly monitor the receivables.

Export Trade Receivables

Our export customers are Original Equipment Manufacturers with high credit rating. Export receivables are also covered through Insurance with Export Credit Guarantee Corporation of India Limited.

Export trade receivables and Import Payables

We have a forex management policy duly approved by the Board. Our policy is to hedge most of its net currency exposure. We review the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.

Foreign currency denominated borrowings

We have hedged its borrowings by covering the principal repayments using Principal Only Swaps and cost reduction structure viz., Call Spread under the approved forex management policy.

CAPITAL EXPENDITURE

Our capital expenditure (being payments towards purchase of plant, equipment, buildings and IT assets) was ₹ 146.17 crores, ₹ 273.28 crores, nil and nil in the three months June 30, 2024 and Fiscal 2024, 2023 and 2022, respectively.

SIGNIFICANT ECONOMIC CHANGES

To the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

UNUSUAL OR INFREQUENT EVENTS OF TRANSACTIONS

Except as described in this Placement Document, to our knowledge, there have been no "unusual" or "infrequent" events or transactions that have in the past or may in the future affect our business operations or future financial performance.

KNOWN TRENDS OR UNCERTAINTIES

Our business has been affected and we expect will continue to be affected by the trends identified above in " – *Significant Factors Affecting our Results of Operations and Financial Condition*" and the uncertainties described in "*Risk Factors*" beginning on pages 89 and 43, respectively. To our knowledge, except as described or anticipated in this Placement Document, there are no known factors which we expect will have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 43, 201 and 89, respectively, there are no known factors that might affect the future relationship between costs and revenues.

NEW PRODUCTS OR BUSINESS SEGMENTS

Except as set out in this Placement Document, including in "*Our Business*" on page 201, we have not announced and do not expect to announce in the near future any new business segments other than in the normal course of business.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 201, 119 and 43, respectively, for further information on competitive conditions that we face.

EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES

The changes in revenue between the three months ended June 30, 2024 and Fiscals 2024, 2023 and 2022 are not directly comparable due to the lack of operations in Fiscals 2023 and 2022.

SEGMENT REPORTING

Our Company's operations predominantly relate to manufacturing and selling of machined aluminium castings. Accordingly, since we operate in a single operating segment, separate segment reporting has not been made under Ind-AS 108.

SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS

Other than as disclosed in "*Risk Factors – 1. We generated almost all of our revenues for Fiscals 2024, 2023 and 2022 from our top 10 customers, and any loss or reduction of business from these customers could reduce our revenues and adversely affect our business, results of operations, financial condition, and cash flows*" on page 44, we are not dependent on a single or few customers.

SEASONALITY/ CYCLICALITY OF BUSINESS

Our Company business is not seasonable in nature.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as stated below and elsewhere in this Placement Document, no material developments have arisen after June 30, 2024 which affect or are likely to affect the trading or operations or profitability of our Company or the value of our assets, or our ability to pay our liabilities within the next twelve months:

1. Our Company provided a standby letter of credit (guarantee) amounting to ₹ 393.62 crores ($ 47.25 million) in relation to borrowings availed by our Material Subsidiary, Sundaram Holding USA Inc.; and

2. With effect from September 5, 2024, our Company commenced the commercial production of aluminum die castings at our new manufacturing facility in Thervoy Kandigai in Tamil Nadu, India.

[***Remainder of this page intentionally left blank***]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS BASED ON THE PROFORMA CONDENSED COMBINED FINANCIAL INFORMATION

Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from the Proforma Condensed Combined Financial Information of our Company included in this Placement Document. For further information, see "Proforma Condensed Combined Financial Information" on page 375.

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17, for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations and Financial Condition" on pages 43 and 89, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Presentation of Financial Information

The Proforma Condensed Combined Financial Information has not been prepared in accordance with generally accepted accounting principles, including accounting standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been prepared in accordance with those principles and standards. Accordingly, the degree of reliance placed by anyone in other jurisdictions on such Proforma Condensed Combined Financial Information should be limited. In addition, the rules and regulations related to the preparation of proforma financial information in other jurisdictions may also vary significantly from the basis of preparation of the Proforma Condensed Combined Financial Information.

Because of their nature, the Proforma Condensed Combined Financial Information addresses a hypothetical situation and therefore, does not represent our Company's factual financial position or results. Accordingly, the Proforma Condensed Combined Financial Information does not necessarily reflect what our Company's financial condition or results of operations would have been had the Acquisition occurred on the dates indicated and is also not intended to be indicative of expected financial position or results of operations in future periods. The actual statements of assets and liabilities and statement of profit and loss may differ significantly from the proforma amounts reflected herein due to variety of factors.

They purport to indicate the results of operations that would have resulted had the acquisitions been completed at the beginning of the period presented and the financial position had the acquisitions been completed as at year end but are not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company. For further information, see "*Risk Factors – 51. The Proforma Condensed Combined Financial Information included in this Placement Document is not indicative of our future financial condition or results of operations.*" on page 65.

For details on the basis of preparation of the Proforma Financial Information and proforma adjustments, see "*Proforma Condensed Combined Financial Information* " on page 375.

NON-GAAP MEASURES

In addition to our results determined in accordance with Ind AS, we believe the following Non-GAAP measures are useful to investors in evaluating our operating performance and liquidity. We use the following Non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Non-GAAP financial information, when taken collectively with financial measures disclosed in the financial statements prepared in accordance with Ind AS, may be helpful to investors because it provides an additional tool for investors to use in evaluating our ongoing operating results and trends and in comparing our financial results with other companies in our industry because it provides consistency and comparability. However, our management does not consider these Non-GAAP measures in isolation or as an alternative to financial measures. Certain financial metrics such as EBITDA and EBITDA Margin ("**Non-GAAP Measures**") presented in this Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, Non-GAAP Measures are not standardised terms, hence a direct comparison of Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measure differently from us, limiting its usefulness as a comparative measure. Although Non-GAAP Measures is not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – 52. Certain non-GAAP financial measures relating to our operations and financial performance have been included in this Placement Document. These non-GAAP financial measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable.*" on page 65.

Reconciliation of Restated Profit for the Period / Year to EBITDA and EBITDA Margin

The table below reconciles restated profit for the period / year to EBITDA. EBITDA is calculated as profit for the period / year minus other income and share of profits from joint venture plus finance costs, depreciation and amortisation and total income tax expenses, while EBITDA Margin is calculated as EBITDA divided by revenue from operations.

Particulars	Fiscal		
	2024	2023	2022
	(₹ crores)		
Profit / (loss) for the period (I)	(169.42)	(107.84)	(16.60)
Other income (II)	36.07	10.2	3.61
Finance costs (III)	89.4	60.05	46.39
Depreciation and amortization expense (IV)	153.43	143.88	130.72
Tax expense (V)	27.43	21.38	19.25
EBITDA (VI = I-II+III+IV+V)	64.77	107.27	176.15
Revenue from operations (VII)	2,184.87	2,052.78	1,692.42
EBITDA Margin (%) (VIII) = (VI/VII)	2.96%	5.23%	10.41%

RESULTS OF OPERATIONS BASED ON THE PROFORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following table sets forth certain information with respect to results of operations from the Proforma Condensed Combined Financial Information for Fiscals 2024, 2023 and 2022, the components of which are also expressed as a percentage of total income as per the Proforma Condensed Combined Financial Information for such years/ periods.

Particulars	Fiscal					
	2024		2023		2022	
	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)
Income						
Revenue from operations	2,184.87	98.38%	2,052.78	99.51%	1,692.42	99.79%
Other income	36.07	1.62%	10.20	0.49%	3.61	0.21%
Total income	**2,220.94**	**100.00%**	**2,062.98**	**100.00%**	**1,696.03**	**100.00%**
Expenses						
Cost of materials consumed	1,189.60	53.56%	1,130.63	54.81%	956.04	56.37%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(18.04)	(0.81)%	(2.01)	(0.10)%	(85.33)	(5.03)%
Employee benefits expenses	338.43	15.24%	277.87	13.47%	195.84	11.55%
Finance costs	89.40	4.03%	60.05	2.91%	46.39	2.74%
Depreciation and amortization expense	153.43	6.91%	143.88	6.97%	130.72	7.71%
Other expenses	604.08	27.20%	521.89	25.30%	436.36	25.73%
Total expenses	**2,356.90**	**106.12%**	**2,132.31**	**103.36%**	**1,680.02**	**99.06%**

Particulars	Fiscal					
	2024		2023		2022	
	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)	(₹ crores)	Percentage of Total Income (%)
Profit/(Loss) before exceptional items, share of net profit of investment and tax	**(135.96)**	**(6.12)%**	**(69.33)**	**(3.36)%**	**16.01**	**0.94%**
Share of net profit from associates using equity method	0.64	0.03%	(0.03)	(0.00)%	0.12	0.01%
Profit/(Loss) before exceptional items and tax	**(135.32)**	**(6.09)%**	**(69.36)**	**(3.36)%**	**16.13**	**0.95%**
Exceptional items - income / (expense)	(6.67)	(0.30)%	(17.10)	(0.83)%	(13.48)	(0.79)%
Profit/(Loss) before tax	**(141.99)**	**(6.39)%**	**(86.46)**	**(4.19)%**	**2.65**	**0.16%**
Income tax expense						
Current tax	36.27	1.63%	27.48	1.33%	16.54	0.98%
Deferred tax charge/ (credit)	(8.84)	(0.40)%	(6.10)	(0.30)%	2.71	0.16%
Total income tax expense	**27.43**	**1.24%**	**21.38**	**1.04%**	**19.25**	**1.14%**
Profit/ (Loss) for the year	**(169.42)**	**(7.63)%**	**(107.84)**	**(5.23)%**	**(16.60)**	**(0.98)%**
Other comprehensive income						
Items that will not be reclassified to profit and loss						
Remeasurement of post employment benefit obligations	(4.12)	(0.19)%	1.53	0.07%	(8.71)	(0.51)%
Change in fair value of equity instruments	-	-	-	-	-	-
Income tax relating to these items	1.43	0.06%	(0.38)	(0.02)%	2.19	0.13%
Items that will be reclassified to profit and loss						
Transactions relating to Derivative instruments	-	-	1.53	0.07%	4.78	0.28%
Change in fair value of FVOCI debt instruments	-	-	-	-	-	-
Income tax relating to these items	-	-	(0.39)	(0.02)%	(1.48)	(0.09)%
FCTR - Subsidiaries	-	-	47.86	2.32%	19.12	1.13%
Other comprehensive income for the year, net of tax	**(2.69)**	**(0.12)%**	**50.15**	**2.43%**	**15.90**	**0.94%**
Total comprehensive income	**(172.11)**	**(7.75)%**	**(57.69)**	**(2.80)%**	**(0.70)**	**(0.04)%**

Fiscal 2024 compared to Fiscal 2023

Total Income

Total income increased by 7.66% from ₹ 2,062.98 crores in Fiscal 2023 to ₹ 2,220.94 crores in Fiscal 2024, primarily due to increase in revenue from operations being generated in Fiscal 2023, as discussed below:
Revenue from operations

Revenue from operations increased by 6.43% from ₹ 2,052.78 crores in Fiscal 2023 to ₹2,184.87 crores in Fiscal 2024, due to a diversified product portfolio, higher realization on export sales and new businesses.

Other Income

Other income increased from ₹ 10.20 crores in Fiscal 2023 to ₹ 36.07 crores in Fiscal 2024 on account of recognition of the flood insurance claim of ₹ 21.50 crores submitted by our Company in Fiscal 2024 as 'other income'.

Total Expenses

Total expenses increased by 10.53% from ₹ 2,132.31 crores in Fiscal 2023 to ₹ 2,356.90 crores in Fiscal 2024, primarily on account of an increase in cost of materials consumed, employee benefits expenses, finance costs, depreciation and amortization expense and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 5.22% from ₹ 1,130.63 crores in Fiscal 2023 to ₹ 1,189.60 crores in Fiscal 2024, primarily due to an increase in sales of our products.

Changes in inventories of finished goods, work-in-progress and stock in trade

Changes in inventories of finished goods, work-in-progress and stock in trade was ₹ (18.04) crores in Fiscal 2024 compared to ₹ (2.01) crores in Fiscal 2023, primarily due to an increase in production volumes and inventory after the COVID-19 pandemic.

Employee Benefits Expense

Employee benefits expense increased by 21.79% from ₹ 277.87 crores in Fiscal 2023 to ₹ 338.43 crores in Fiscal 2024 owing to an increase in costs in line with an increase in sales volume, and salary increments.

Finance Costs

Finance costs increased by 48.88% from ₹ 60.05 crores in Fiscal 2023 to ₹ 89.40 crores in Fiscal 2024, primarily due to an increase in loans availed by us for capital expenditure and a loss of funding for our operations in the United States.

Depreciation and Amortization Expense

Depreciation and amortization expenses increased by 6.64% from ₹ 143.88 crores in Fiscal 2023 to ₹ 153.43 crores in Fiscal 2024, primarily due to an increase in capital expenditure.

Other Expenses

Other expenses increased by 15.75% from ₹521.89 crores in Fiscal 2023 to ₹604.08 crores in Fiscal 2024, on account of an increase in variable costs (such as costs incurred towards stores, tools and power) in line with an increase in sales, as well as flood restoration expenses.

Profit/(Loss) before tax

As a result of the foregoing factors, profit before tax decreased from ₹ (86.46) crores in Fiscal 2023 to ₹ (141.99) crores in Fiscal 2024.

Income Tax Expense

Current tax was ₹ 36.27 crores in Fiscal 2024 compared to ₹ 27.48 crores in Fiscal 2023, while deferred tax credit was ₹ 8.84 crores in Fiscal 2024 compared to ₹ 6.10 crores in Fiscal 2023, on account of an increase in the profit before tax from our India operations. As a result, income tax expense was ₹ 27.43 crores in Fiscal 2024 compared to ₹ 21.38 crores in Fiscal 2023.

Profit/ (Loss) for the Year

As a result of the foregoing factors, loss for the year was ₹ 169.42 crores in Fiscal 2024, compared to loss for the year of ₹ 107.84 crores in Fiscal 2023.

Fiscal 2023 compared to Fiscal 2022

Total Income

Total income increased by 21.64% from ₹ 1,696.03 crores in Fiscal 2022 to ₹ 2,062.98 crores in Fiscal 2023, primarily due to increase in revenue from operations being generated in Fiscal 2023, as discussed below:

Revenue from operations

Revenue from operations increased by 21.29% from ₹ 1,692.42 crores in Fiscal 2022 to ₹ 2,052.78 crores in Fiscal 2023, due to an increase in customer demand, an increase in the sales price due to an increase in the price of alloys used for manufacturing, new business and a higher realization from export sales.

Other Income

Other income increased by 0.49% from ₹ 3.61 crores in Fiscal 2022 to ₹ 10.2 crores in Fiscal 2023 on account of gains from foreign currency transaction and translations.

Total Expenses

Total expenses increased by 26.92% from ₹ 1,680.02 crores in Fiscal 2022 to ₹ 2,132.31 crores in Fiscal 2023, primarily on account of an increase in cost of materials consumed, employee benefits expenses, finance costs, depreciation and amortization expense and other expenses.

Cost of Materials Consumed

Cost of materials consumed increased by 18.26% from ₹ 956.04 crores in Fiscal 2022 to ₹ 1,130.63 crores in Fiscal 2023, primarily due to an increase in sales of our products.

Changes in inventories of finished goods, work-in-progress

Changes in inventories of finished goods, work-in-progress was ₹ (85.33) crores in Fiscal 2022 compared to ₹ (2.01) crores in Fiscal 2023, primarily on account of having a higher inventory due to an increase in production volume after the COVID-19 pandemic.

Employee Benefits Expense

Employee benefits expense increased by 41.89% from ₹ 195.84 crores in Fiscal 2022 to ₹ 277.87 crores in Fiscal 2023 owing to an increase in costs in line with an increase in sales volume in our India operations, commencement of production at our manufacturing facility in the United States and salary increments.

Finance Costs

Finance costs increased by 29.45% from ₹ 46.39 crores in Fiscal 2022 to ₹ 60.05 crores in Fiscal 2023, primarily due to increase in an increase in loans availed by us for capital expenditure and a loss of funding for our operations in the United States.

Depreciation and Amortization Expense

Depreciation and amortization expenses increased by 10.07% from ₹ 130.72 crores in Fiscal 2022 to ₹ 143.88 crores in Fiscal 2023, primarily due to an increase in capital expenditure.

Other Expenses

Other expenses increased by 19.60% from ₹ 436.36 crores in Fiscal 2022 to ₹ 521.89 crores in Fiscal 2023, on account of an increase in sales volume in our India operations and commencement of production in our manufacturing facility in the United States.

Profit/(Loss) before tax

As a result of the foregoing factors, profit before tax decreased from ₹ 2.65 crores in Fiscal 2022 to loss before tax of ₹ 86.46 crores in Fiscal 2023.

Income Tax Expense

Current tax was ₹ 27.48 crores in Fiscal 2023 compared to ₹ 16.54 crores in Fiscal 2022, while deferred tax credit was ₹ 6.10 crores in Fiscal 2023 compared to a deferred tax charge of ₹ 2.71 crores in Fiscal 2022, on account of an increase in profit before tax from our India operations. As a result, income tax expense was ₹ 21.38 crores in Fiscal 2023 compared to ₹ 19.25 crores in Fiscal 2022.

Profit/ (Loss) for the year

As a result of the foregoing factors, loss for the year was ₹ 107.84 crores in Fiscal 2023 compared to loss for the year of ₹ 16.60 crores in Fiscal 2022.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth certain information relating to cash flows as per the Proforma Condensed Combined Financial Information in the years indicated:

Particulars	Fiscal		
	2024	2023	2022
	(₹ crores)		
Net cash from operating activities	92.46	126.15	104.97
Net cash from/ (used in) investing activities	(421.54)	(185.97)	(99.02)
Net cash inflow/ (outflow) from financing activities	239.75	39.96	96.56
Net increase/ (decrease) in cash and cash equivalents	(89.33)	(19.86)	102.51

Operating Activities

Fiscal 2024

Net cash from operating activities was ₹ 92.46 crores in Fiscal 2024. In Fiscal 2024, net loss before tax was ₹ 141.99 crores. Primary adjustments consisted of depreciation and amortisation for the year of ₹ 153.43 crores and interest expense of ₹ 89.40 crores.

Operating profit before working capital changes was ₹ 95.63 crores in Fiscal 2024. The main working capital adjustments in Fiscal 2024 included decrease in inventories of ₹ 40.31 crores, increase in trade receivables of ₹ 40.59 crores, increase in other current assets of ₹ 44.87 crores, increase in trade payables of ₹ 46.48 crores, increase in provisions of ₹ 39.55 crores, as well as a decrease in other financial liabilities (excluding current maturities of debt) of ₹ 18.14 crores. Cash generated from operations was ₹ 126.54 crores and direct taxes paid was ₹ 34.08 crores in Fiscal 2024.

Fiscal 2023

Net cash from operating activities was ₹ 126.15 crores in Fiscal 2023. In Fiscal 2023, net loss before tax was ₹ 86.46 crores. Primary adjustments consisted of depreciation and amortisation for the year of ₹ 143.88 crores and interest expense of ₹ 60.05 crores.

Operating profit before working capital changes was ₹ 107.27 crores in Fiscal 2023. The main working capital adjustments in Fiscal 2023 included increase in inventories of ₹ 16.81 crores, decrease in trade receivables of ₹ 14.54 crores, increase in trade payables of ₹ 33.16 crores and increase in other financial liabilities (excluding current maturities of debt) of ₹ 31.43 crores. Cash generated from operations was ₹ 153.63 crores and direct taxes paid was ₹ 27.48 crores in Fiscal 2023.

Fiscal 2022

Net cash from operating activities was ₹ 104.97 crores in Fiscal 2022. In Fiscal 2022, net profit before tax was ₹ 2.65 crores. Primary adjustments consisted of depreciation and amortisation for the year of ₹ 130.72 crores and interest expense of ₹ 46.39 crores.

Operating profit before working capital changes was ₹ 180.44 crores in Fiscal 2022. The main working capital adjustments in Fiscal 2022 included increase in inventories of ₹ 88.47 crores, decrease in trade receivables of ₹ 44.60 crores and decrease in trade payables of ₹ 94.08 crores, as well as decrease in other financial liabilities (excluding current maturities of debt) of ₹ 15.27 crores. Cash generated from operations was ₹ 121.51 crores and direct taxes paid was ₹ 16.54 crores in Fiscal 2022.

Investing Activities

Fiscal 2024

Net cash flow used in investing activities in Fiscal 2023 was ₹ 421.54 crores, primarily due to additions to property, plant and equipment (including capital work in progress) of ₹ 409.26 crores and purchase of investments of ₹ 16.23 crores, which was partially offset by sale of property, plant and equipment of ₹ 1.06 crores.

Fiscal 2023

Net cash flow used in investing activities in Fiscal 2023 was ₹ 185.97 crores, primarily due to additions to property, plant and equipment (including capital work in progress) of ₹ 187.50 crores.

Fiscal 2022

Net cash flow used in investing activities in Fiscal 2022 was ₹ 99.02 crores, primarily due to additions to property, plant and equipment (including capital work in progress) of ₹ 100.10 crores and interest received of ₹ 1.08 crores.

Financing Activities

Fiscal 2024

Net cash flow from financing activities in Fiscal 2023 was ₹ 239.75 crores, primarily on account of net borrowings of short term borrowings availed of ₹ 186.15 crores, net borrowings of term loans availed of ₹ 149.38 crores, which was partially offset by interest paid of ₹ 86.89 crores.

Fiscal 2023

Net cash flow from financing activities in Fiscal 2023 was ₹ 39.96 crores, primarily on account net impact on account of de-merger as per Ind AS 103 of ₹ 16.90 crores and net borrowings of short term borrowings availed of ₹ 6.01 crores, which was partially offset by interest paid of ₹ 60.05 crores.

Fiscal 2022

Net cash flow from financing activities in Fiscal 2022 was ₹ 96.56 crores, primarily on account of proceeds from loans (net) of ₹ 14.59 crores, which was partially offset by interest paid of ₹ 46.39 crores and net impact on account of de-merger as per Ind AS 103 of ₹93.69 crores.

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Assessment of the Automotive Die-casting Market in India, USA and Europe" dated September 2024 (the "**CRISIL Report**") prepared and issued by CRISIL, exclusively commissioned and paid for by us for the purposes of confirming our understanding of the industry, in connection with the Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the CRISIL Report is available on the website of our Company at www.sundaram-clayton.com. For more information, see "Risk Factors – 50. Certain sections of this Placement Document disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks." on page 64. Also see "Industry and Market Data" on page 15.*

MACROECONOMIC OVERVIEW OF GLOBAL AND INDIAN ECONOMY

Overview of Global Economy

China+1 policy playing out across key economies

The Chinese economy (real gross domestic product ("**GDP**")) grew by 5.3% in the first quarter of 2024, slightly up from 5.2% in the fourth quarter of 2023. Manufacturing activity began to expand in March 2024. The official National Bureau of Statistics ("**NBS**") Manufacturing Purchasing Managers' Index stood at 50.8 in March 2024 compared with 49.1 in February 2024. On the other hand, non-manufacturing activity continued to expand. The NBS Non-Manufacturing Business Index picked up to 53.0 in March 2024 from 51.4 in February 2024.

Inflation decreased to 0.1% in March 2024 from 0.7% in February 2024. Inflation declined in food and tobacco ((1.4)% versus (0.1)%), with non-food items inflation easing (0.7% versus 1.1%). 'Core' inflation, except food and energy, inched up as well (0.6% versus 1.2%). The People's Bank of China kept its one-year Loan prime rate unchanged at 3.45% in March 2024 however, it has been attempting to increase liquidity in the system and aid recovery.

China's total trade surplus widened to USD 39.7 billion in February 2024 from USD 16.8 billion in February 2023 as export increased 5.6% while imports declined by 8.2%.

The strategy of mainland China-based companies seeking to establish production hubs in other countries globally, known as "China Plus One," has attracted widespread attention, with major global companies in the electronics and other industries expanding to Southeast Asian countries including India. When the strategy first emerged in the mid-2000s, the motivation was to reduce expenditure by moving production to lower-cost countries, but in recent years companies have pursued this business model to protect their supply chain and export markets against the potential fallout of US-mainland China conflict.

India's proximity to mainland China, its economic partnerships with the US and mainland China, and relative political stability — make the region a preferred China Plus One destination.

Foreign direct investment ("**FDI**") data and anecdotal evidence show Southeast Asia's increasing importance as a China Plus One destination for mainland Chinese and foreign companies. Notable examples include investments to build a chip-testing and packaging factory in Malaysia, a mines-to-manufacturing electric vehicle supply chain in Indonesia, and an expansion of consumer electronics production facilities in Vietnam. India, with its numerous advantages—including a large and skilled labor force, robust infrastructure, and strong government policy support—is well-positioned to capitalize on this opportunity and attract businesses seeking alternatives to China.

Overview of the Indian Economy

Review of GDP growth over Fiscals 2019 to 2024 and Outlook for Fiscals 2024 to 2029

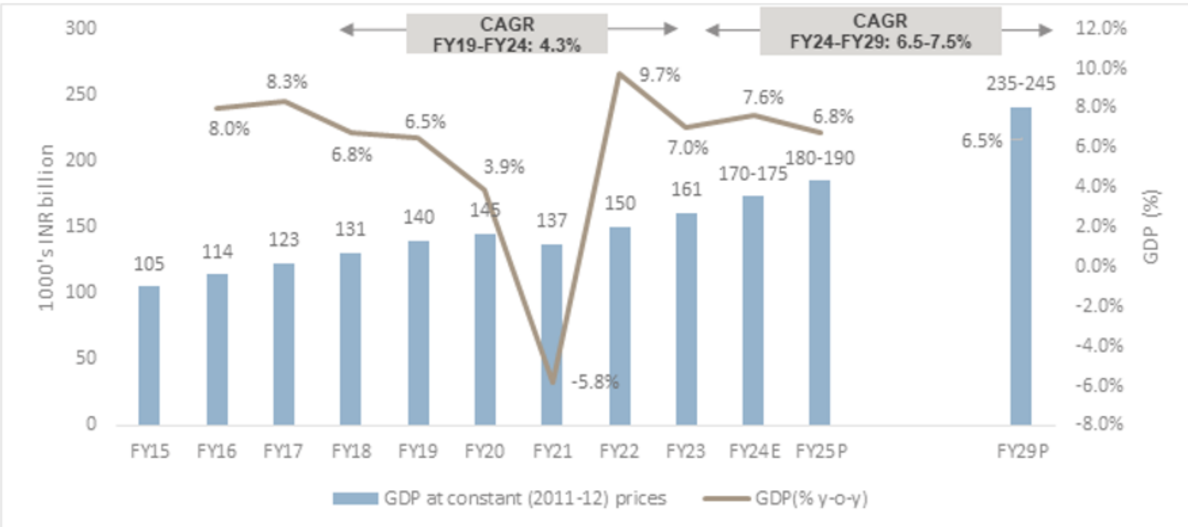
India ranks as the world's 5th largest economy and is the fastest growing among major economies. The Indian economy logged 4.3% compound annual growth rate ("**CAGR**") between Fiscals 2019 and 2024. Primarily due to the unprecedented impact of COVID-19, this was a sharp deceleration from a robust 6.7% CAGR between Fiscals 2017 and 2019, which was driven by rising consumer aspiration, rapid urbanization, the government's focus on infrastructure investment and growth of the domestic manufacturing sector. Economic growth was supported by benign crude oil prices, soft interest rates and low current account deficit. The Indian government also undertook key reforms and initiatives, such as implementation of the Goods and Services Tax ("**GST**"), Insolvency and Bankruptcy Code, Make in India, financial inclusion initiatives, and gradual opening of sectors such as retail, e-commerce, defense, railways, and insurance for FDIs.

A large part of the lower growth between Fiscals 2018 and 2023 was because of the economy contracting 5.8% in Fiscal 2021 owing to the fallout of COVID-19. The pandemic's impact was more pronounced on contact-sensitive services and social distancing norms-affected services such as entertainment, travel, and tourism, with many industries in the manufacturing sector also facing issues with shortage of raw materials/components as lockdown in various parts of the world upended supply chains.

India's GDP exceeded expectations during first three quarters of Fiscal 2024. Growth slowed but stayed strong in fourth quarter. GDP growth slowed to 7.8% on-year in the fourth quarter of last Fiscal from 8.6% previous quarter but was higher than 6.1% in the year-ago quarter. This prompted the NSO to revise up the Fiscal 2024 GDP growth estimate to 8.2% (which is the provisional estimate), from 7.6% in the SAE.

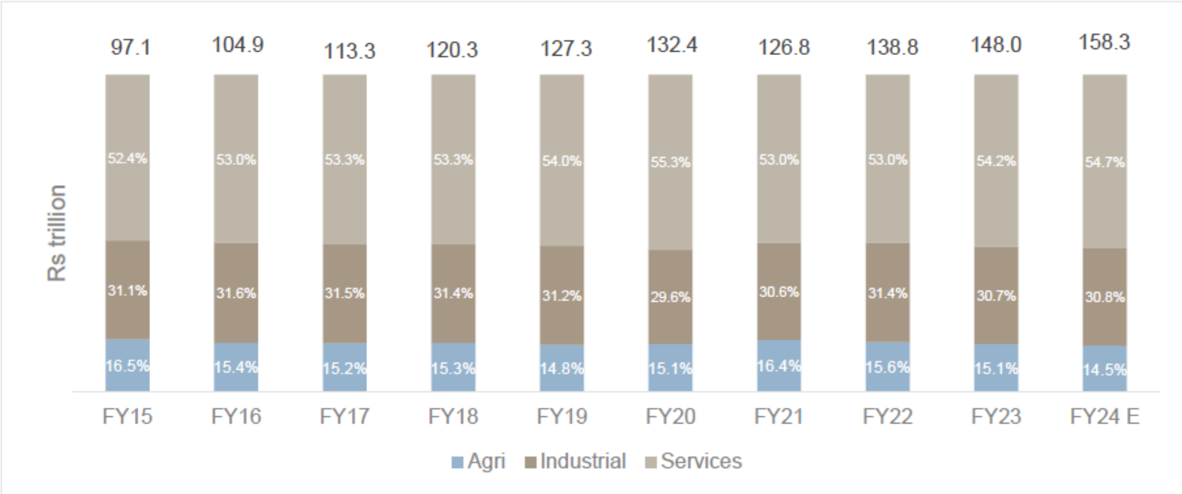
After a strong GDP estimate in the past three Fiscals, CRISIL MI&A expects GDP growth to moderate to 6.8% in Fiscal 2025. Fiscal consolidation will reduce the Fiscal impulse to growth. Rising borrowing costs and increased regulatory measures could weigh on demand. Exports could be affected due to uneven growth in key trade partners and any escalation of the Red Sea crisis. On the other hand, another spell of normal monsoon and easing inflation could revive rural demand.

India's GDP growth trend and outlook



Note: P – projected
Source: National Statistical Office, IMF, CRISIL MI&A estimates

Share of sector in GVA at constant prices



The Agri sector is expected to grow at approximately 0.7% year-on-year in Fiscal 2024, thereby contributing to 14.5% of the GVA. The services sector is expected to provide a thrust to the economy with 7.5% growth and 54.7% GVA share while the industrial sector will maintain a share of 30.8%.

Outlook on GDP

For the Fiscal 2025, India's GDP growth is expected to moderate to 6.8% after a better-than-expected 7.6% expansion in Fiscal 2024, given that high interest rates and lower Fiscal impulse (from reduction in Fiscal deficit to 5.1% of GDP) would temper demand and the net tax impact would normalize.

Additionally, uneven economic growth of key trading partners and escalation of geopolitical uncertainties can lower exports. But there will be support from other areas. Continued disinflation will prop up the purchasing power of consumers. Healthy rabi sowing and good kharif output (assuming another spell of normal monsoon is ahead) will bolster agricultural incomes. Further, a gradual pick-up in private capital expenditure (capex) will make investment growth more broad-based. The government has also provided budgetary support to rural incomes and infrastructure spending.

The lowering of Fiscal deficit will mean curtailed Fiscal impulse to growth, but good quality of spending would provide some support to the investment cycle and rural incomes. CRISIL also expects a normalization of the net indirect tax impact on GDP witnessed in the current Fiscal. Uneven economic growth in key trade partners such as the United States ("**U.S.**") and the European Union, and an escalation of the ongoing Red Sea tensions can act as drag on exports.

Drivers for India's Economic Growth

- Capital will continue to be the biggest contributor to growth. As the government pursues Fiscal consolidation, its role in boosting overall capex will partly diminish compared with the past few years.
- Strong domestic demand is expected to drive India's growth over peers in the medium term.
- Investment prospects are optimistic, given the government's capex push, progress of Production-Linked Incentive ("**PLI**") scheme, healthier corporate balance sheets, and a well-capitalised banking sector with low non- performing assets ("**NPAs**").
- India is also likely to benefit from its diversification of the supply chain for incoming FDI flows, as global supply chains get reconfigured with focus shifting from efficiency towards resilience and friend shoring.
- Rising employment rates and a notable increase in private consumption, buoyed by growing consumer confidence, are poised to drive GDP growth in the upcoming months.
- The government's future capital expenditures are expected to be supported by factors such as tax buoyancy, simplified tax structures with lower rates, tariff structure reassessment, and tax filing digitization.

- Medium-term growth is anticipated to be bolstered by increased capital spending on infrastructure and asset development projects, leading to enhanced growth multipliers.

PLI scheme provides boost to industrial investments in the short-to-medium term

The PLI scheme's primary objective is to make manufacturing in India globally competitive by removing sectoral obstacles, creating economies of scale and ensuring efficiency. It is designed to create a complete component ecosystem in India and make the country an integral part of the global supply chain. It will be implemented over Fiscals 2022 to 2029. The PLI scheme is a time-bound incentive scheme by the government which rewards companies in the 5% to 15% range of their annual revenue based on the companies meeting pre-decided targets for incremental production and/or exports and capex over a base year. The stronger-than-expected pick-up in demand and larger companies gaining share over smaller companies led to revival of capex in Fiscal 2022. The rise in Fiscal 2024 was on account of the expansion plans underway by India Inc.

Based on an analysis of eight key sectors, CRISIL MI&A Consulting estimates construction investment in the industrial segment at ₹ 4.0 lakh crore to ₹ 4.1 lakh crore between Fiscals 2023 and 2027, rising 1.3 times over spends seen between Fiscals 2018 and 2022. The rise in investments is projected on account of inclusion of the PLI scheme in the capex investments of the industrial sector.

Budgeted incentives for each sector under the PLI scheme

Sector	Segment	Budgeted (₹ billion)*	
Automobile	Advance chemistry cell ("**ACE**") battery	181.0	751.4
	Automobiles and auto components	570.4	
Electronics	Mobile manufacturing and specified electronic components	409.5	545.2
	Electronic/technology products/IT hardware	73.25	
	White goods (ACE and LED)	62.4	
Pharma and medical equipment	Critical key starting materials/drug intermediaries and active pharmaceutical ingredients	69.4	253.6
	Manufacturing of medical devices	34.2	
	Pharmaceutical drugs	150.0	
Telecom	Telecom and networking producs	122.0	122.0
Food	Food products	109.0	109.0
Textile	Textile products: man-made fibre and technical textiles	106.8	106.8
Steel	Specialty steel	63.2	63.2
Energy	High-efficiency solar PV modules	240.0	240
Aviation	Drones and drone components	1.2	1.2
Total			**2,192**

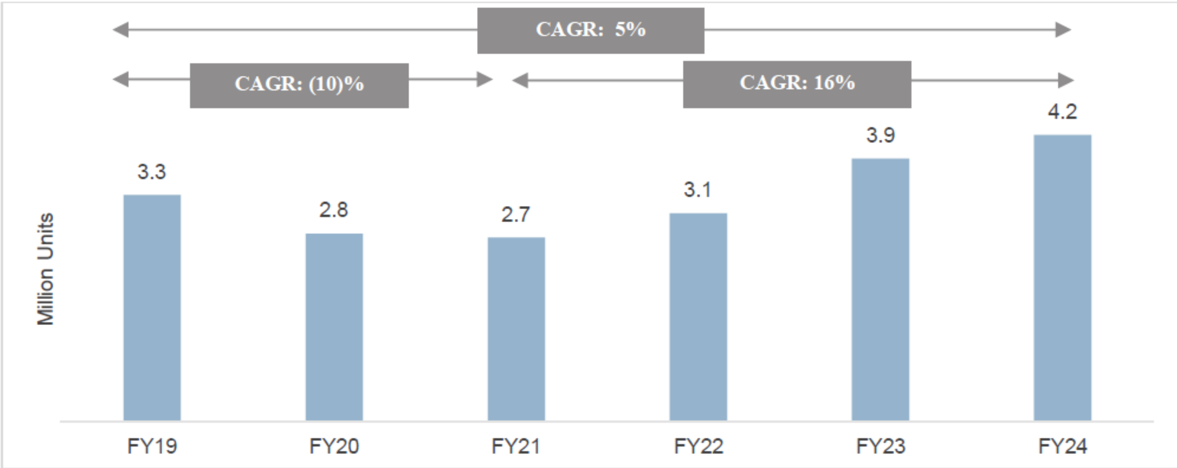
**Note: Approved financial outlay over a five-year period*
ACE: Appliance and consumer electronics; LED: Light-emitting diode
Source: Government websites, CRISIL MI&A

REVIEW OF THE INDIAN AUTOMOBILE INDUSTRY

Review of the Indian Domestic PV Industry (Fiscal 2019 to Fiscal 2024)

In Fiscal 2023, the PV industry grew at a rate of 27% year-on-year, which was more than double the rate of 13% year-on-year witnessed during Fiscal 2022, owing to the healthy pent-up demand created by two years of slump in sales volume. The orderbooks of auto original equipment manufacturers ("**OEMs**") were further supported by several new launches in the growing SUV category, which saw higher traction, along with multiple facelifts of existing models and easing supply of semiconductors. In fact, overall wholesale volume reached a historic high of 3.9 million units in the Fiscal 2023.

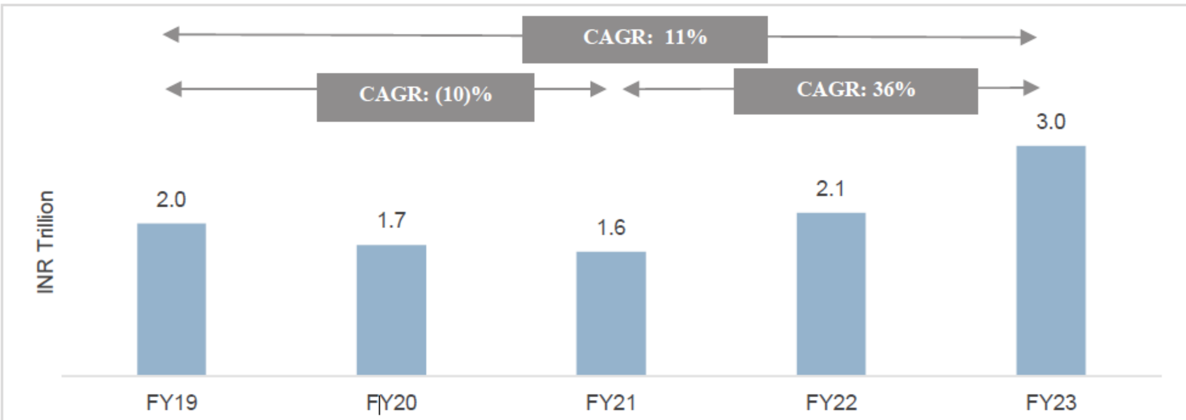
Figure: Review of the domestic PV sales volumes



Notes:
1. Figures in bracket to be read as negative (For example, (10) to be read as minus 10).
*2. Passenger vehicles ("**PVs**") are four wheeled motor vehicles used for carriage of passengers comprising not more than eight seats in addition to the driver's seat. PVs include hatchbacks, sedans, SUV, MPV and vans under it.*
Source: SIAM, CRISIL MI&A

During Fiscal 2024, growth momentum of the industry continued, albeit at a slower pace, backed by the continued traction for the SUV segment, intermittent launches and improvement in disposable income. Off the high base of Fiscal 2023, the industry grew by 8.4% in Fiscal 2024 to reach the historic high of 4.2 million units.

Figure: Review of the PV industry by value



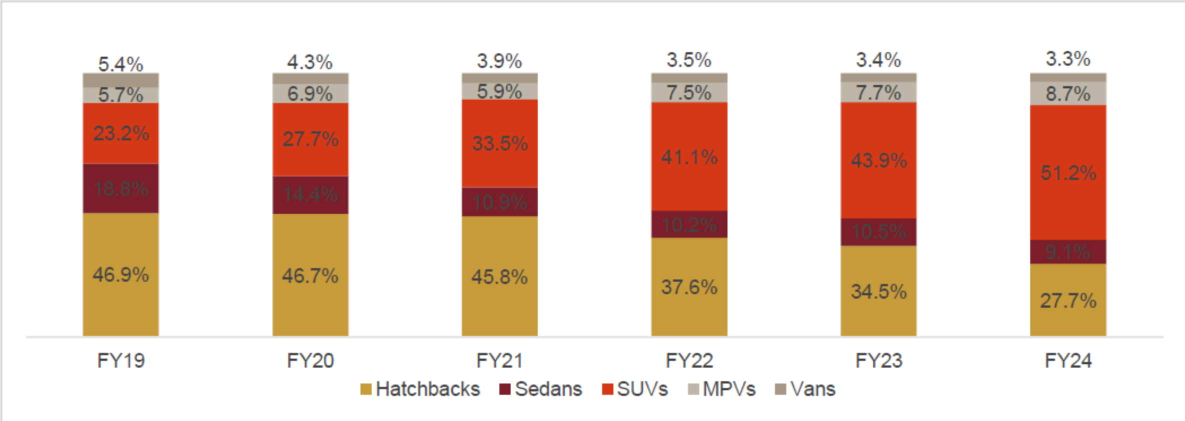
Note: Industry value calculated based on the reported vehicle sales revenue by OEMs and the total sales (domestic and exports) volumes of the industry reported by SIAM. Fiscal 2024 financials are not available.
Source: SIAM, Annual Reports, MCA financials, CRISIL MI&A

The PV industry value witnessed a healthy growth from Fiscal 2019 to 2023 period, growing at 11% CAGR. The average vehicle factory prices (ex-factory prices) rose at 8% CAGR during Fiscals 2019 to 2023 period led by rising share of premium vehicles. Additionally, price hikes undertaken by OEMs for compliance with emission norms and due to increase in raw material costs provided an added push to average prices.

Total sales (domestic and exports) volumes of the industry, on the other hand, grew at a subdued pace of 3% CAGR during the period. In fact, total vehicle sales (domestic and exports) dropped at 12.0% CAGR till Fiscal 2021 dragging the industry value down in Fiscal 2021.

From this low base, total sales (domestic and exports) grew at 21% CAGR till Fiscal 2023 thrusting the industry revenues forward. A sharp rise at a CAGR of over 12% in average prices amidst premiumisation trend lent further support to industry size by value during Fiscals 2021 to 2023 period. Overall, the industry value grew at 36% CAGR from Fiscals 2021 to 2023 to reach ₹ 3 trillion levels.

Figure: Segment-wise trends in the overall PV sales volumes in India



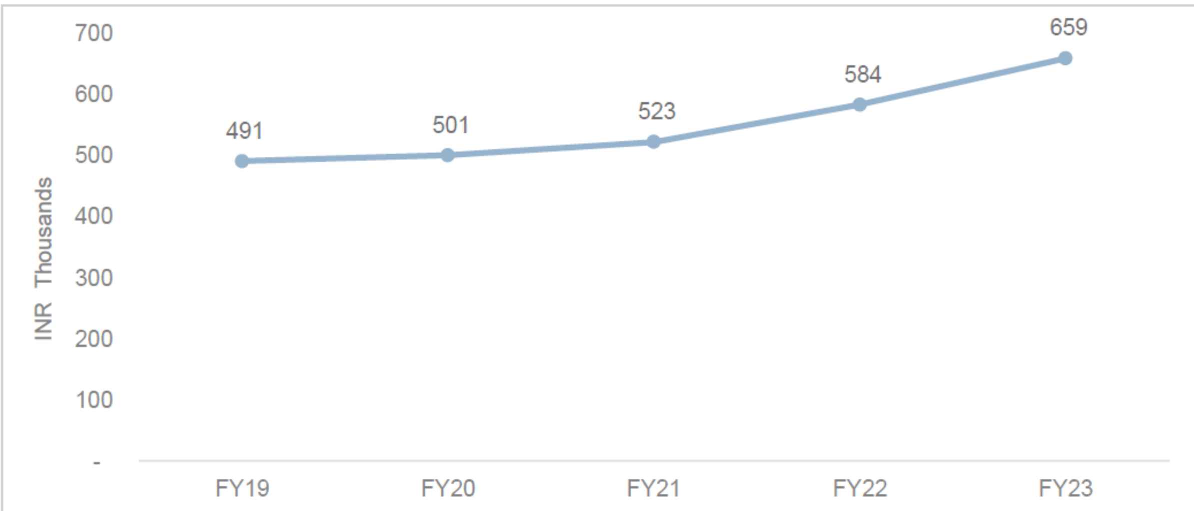
Source: SIAM, CRISIL MI&A

Premiumization trend: The average selling price ("**ASP**") between Fiscal 2019 and 2023 increased at a CAGR of 7% to 8% because of premiumization trend as well as sharp rise in vehicle prices. Modern consumers in India are preferring mid-end or top end version of the vehicles moving away from the traditional fuel-efficient budget friendly small cars towards higher priced feature loaded larger cars which offer much more space, taller ride height, seamless connectivity, and improved performance. Further, there has been a major shift in customer preference with the launch of compact and mid-size SUVs. The share of small cars (hatchbacks) reduced from 46.9% in Fiscal 2019 to 34.4% in Fiscal 2023. During the same period, share of SUVs increased from 23.1% in Fiscal 2019 to 44% in Fiscal 2023.

This was majorly driven by shift in consumer sentiments towards newly launched feature rich vehicles in the SUV segment.

Increase in spending from the upper middle class after pandemic led to more purchases of SUVs supported by higher number of model launches in the SUV category (which have higher profit margins) and increase in affordability with launch of compact SUVs led to cannibalization of hatchbacks and compact sedans.

*Figure: Trend in Average Vehicle Price ("**ASP**")*



Note: Based on OEM factory cost Source: CRISIL MI&A

The rise in penetration of digital technologies and safety features in the vehicles also aid this ASP growth. There is a growing adoption of cars equipped with sunroof, digital infotainment systems and smart phone connectivity solutions. Modern car buyers who are aware of the safety standards are preferring cars equipped with necessary features like airbags, disc brakes and so on. These systems coupled with inclusion of modern LED lights, camera and radar systems are increasing the overall cost of a vehicle. For example, Hyundai Motor India introduced sunroof in their i10 and i20 hatchbacks back in 2008 to 2009. From then till now, most of the models offered from the company provides sunroof as an option and the company has played a crucial role in popularising modern features in India.

Over and above these features, industry has also started offering connectivity as an add on feature in their latest offerings especially in the top variants. These connectivity features enable seamless interaction between the user and the vehicle through their application. Few of the features include remote start stop, remote HVAC (Heating Ventilation and Air Conditioning) control, real time location services etc. Such features are available in vehicles like MG Hector, Hyundai Venue, Creta, Tata Harrier/Safari, Mahindra XUV700, Maruti Grand Vitara to name a few.

Moreover, apart from the standard safety features, many of the OEMs are also offering advanced driver assistance and safety features through ADAS (Advanced Driver Assistance System) technology. The basic ADAS features include blind spot detection, emergency braking, cruise control, lane departure warning etc. These additional features are currently being offered in premium vehicles like Honda City, Kia Seltos, MG Hector, Hyundai Creta, Mahindra XUV700 and Tata Safari. Currently most OEMs in the mass market offer level 2 (L2) ADAS capability through their in house ADAS technology like Hyundai SmartSense and Honda SENSING.

All these additional features aided with improved fuel efficiency and vehicle handling, have aided the light weighting trend, consequently driving the growth of Aluminum content per vehicle.

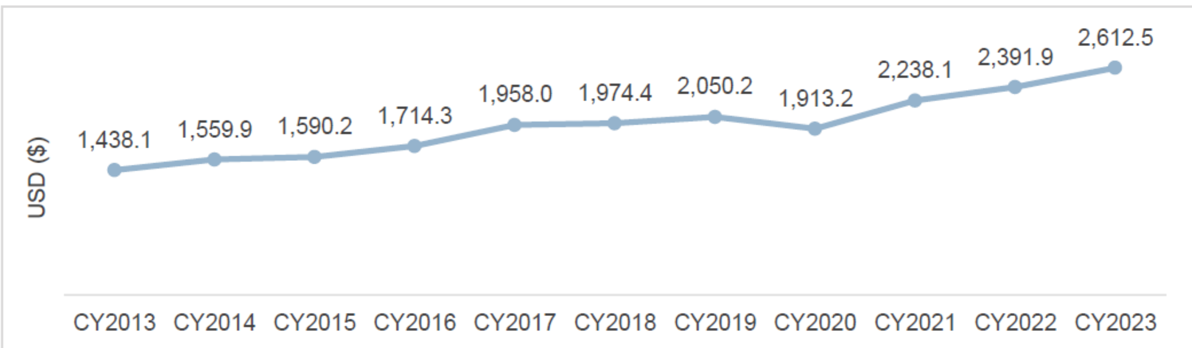
Key Industry Growth Drivers and Trends

GDP per capita

GDP per capita is GDP of a country distributed per person in the population. It is calculated by dividing total GDP by the population. Per capita income shows the increase in income thereby indicating economic well-being and average living standard of population in a country.

India had a GDP per capita of USD 2,612.5 in 2023 compared to USD 1,438.1 in 2013. It has increased at a CAGR of 6.2% in the last 10 years. In 2020, the GDP per capita decreased by 6.7% owing to the pandemic and nationwide lockdown which impacted the manufacturing and service sector. However, in 2021 these sectors returned to normalcy and GDP per capita increased by 17.0% to reach USD 2,238.1. Global dependency on India for production of goods and growing service sector in the country for the past decade has aided this growth.

Figure: GDP per capita in USD from 2013 to 2023



Source: IMF, CRISIL MI&A

Vehicle Penetration in India

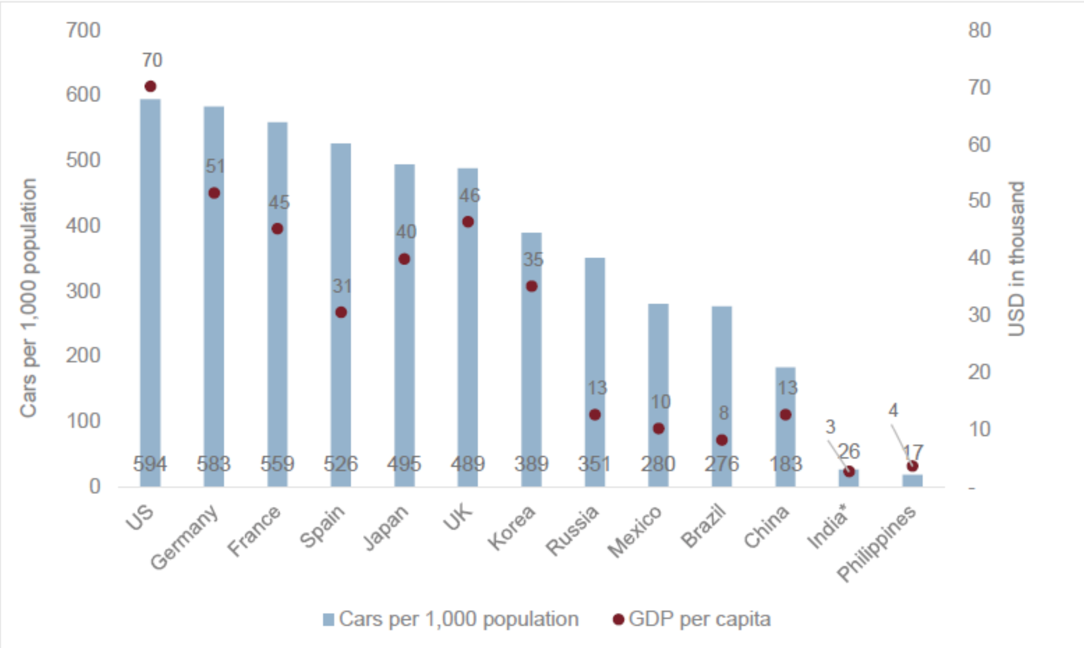
India's car market is extremely underpenetrated compared with most developed economies and some developing nations. The Indian PV market is one of the fastest growing in the world (CAGR 2021 to 2023), growing at 15.4% versus 6.8% for Global passenger vehicle market. It was ranked second in terms of annual sales (after China) in 2023.

However, the market is still highly underpenetrated compared with most developed economies, or even developing countries such as China, Brazil and Mexico. According to CRISIL MI&A, India had 26 cars per 1,000 people as of Fiscal 2024. Although the penetration grew from 22 cars per 1,000 people in Fiscal 2019 to 26 cars as of Fiscal 2024, it is significantly lower than the developed nations and even emerging nations like Brazil, Russia, and Mexico. This provides significant headroom for growth, especially given the expected increase in disposable incomes, faster economic growth, younger population, and increased focus from international OEMs. With penetration below the global average, India offers tremendous growth potential for automobile manufacturers.

Shift from 2W to 4W

Demographically, the working/young population has significantly impacted India's growth in past few years majorly in the IT, manufacturing, and service sectors. This is in line with past progress of economies like Japan and China where the young population has fueled economic development also aiding the transition from owing a two-wheeler to owning a passenger vehicle. There is a typical upgradation done by entry segment customers from two-wheelers to passenger vehicles (especially compact hatchbacks). Also, the financially stable affluent customers who already own a motorcycle or scooter, generally tend to own an additional passenger vehicle simultaneously.

Country-wise car penetration, 2021



Note: Data for 2021, India Data for Fiscal 2024
Source: International Road Federation - World Road Statistics 2023, CRISIL MI&A

With respect to 2 wheelers the top two contributors to the global sales, India and China are part of the APAC region coupled with other large two-wheeler markets like ASEAN countries of Indonesia, Thailand, Vietnam, Philippines, Malaysia, Singapore, Myanmar, and Cambodia.

Within the APAC region, India is the largest contributor (30% share in 2023) followed by China (26% share) and ASEAN countries (22% share). Other APAC countries like Japan, Australia, New Zealand, South Korea have relatively limited share in regional sales.

During the 2019-2023 period, two-wheeler sales in the APAC region remained near steady (0.6% CAGR drop) at volumes of approximately 59 million. During 2019-2023 period, the major contributors, including India, China, Indonesia, Vietnam witnessed contraction in two-wheeler sales.

New model launches

Apart from increasing sales of existing models, sales of new models have supported the overall industry's growth in the past decade, thereby driving demand. Most recent launches were mostly SUVs, which accelerated growth of the industry. As of Fiscal 2023, a total of 10 new models were launched in various segments. These new models contributed to 3.1% of overall PV sales in that Fiscal. Few of the notable model launches includes Maruti Suzuki

Grand Vitara, Toyota Urban Cruiser Hyryder, Volkswagen Virtus, Innova Hycross and Hyundai Ioniq 5. In Fiscal 2024, a total of 9 models were launched that contributed to over 6.6% of PV sales. Key model launches include Maruti Suzuki Fronx, Hyundai Exter, Honda Elevate and MG Comet EV. Going forward, the new vehicle pipeline is expected to provide additional thrust to domestic sales.

Electrification

The rapid expansion of the electric vehicle ("**EV**") market is transforming the automotive industry, with Aluminum die casting becoming crucial in fulfilling the rising need for lightweight, durable components.

Amid rising environmental concerns, EVs are gaining traction globally, including in India. The country is one of the signatories to the Paris Agreement under the United Nations Framework Convention on Climate Change. It is also part of the EV30@30 campaign, targeting a 30% sales share for EVs by 2030.

To accelerate EV adoption, the government has been incentivising consumers by extending support via FAME (Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles in India) subsidy, EMPS (Electric Mobility Promotion Scheme 2024) as well as tax cuts. The government announced ₹ 100 billion for Phase II of FAME, which commenced on April 1, 2019. The policy aims to provide a subsidy of ₹ 10,000 per kWh to four-wheelers (battery EVs, plug-in hybrid EVs, strong hybrids) for commercial purposes and public transport. It also envisions creation of infrastructure for charging of EVs.

These schemes alongside the PLI schemes, scrappage policy, Battery Waste Management Rules 2022 as well as the Make in India initiative is setting up the roadmap for widespread EV manufacturing and adoption.

Government support, coupled with rising awareness about EVs, environmental concerns, expansion in EV infrastructure as well as increasing EV model portfolio is driving electrification in India. The EV segment received a real thrust in the last two years backed by model launches at competitive rates, price hikes in ICE vehicles and elevated petrol and diesel costs. While EVs bring several cost benefits and have evolved into a desirable powertrain choice today, the public perception towards electric vehicles and awareness against pollution from ICE vehicles also played a major role behind the rise in EV adoption across the country.

Shorter Replacement cycles

The changing consumer dynamics including younger consumer base, premiumisation, electrification, shorter replacement cycles (4 to 5 years currently versus 7 to 8 years a decade ago) will provide further impetus to the demand. Additionally, the government's push for scrapping of old vehicles is expected to help in shortening replacement cycles and hence aid demand.

Rise in Urbanisation

According to United Nations Population Division (World Urbanization Prospects: 2018 Revision) urban population constituted 36% of the total population in India, which had increased by 13% in the previous 10 years. The urban population accounted approx. 508 million people in 2022, already the second largest urban community in the world. India's urban population is projected to be 675 million in 2035, which will be approximately 43% of the overall Indian population. In the interim, the urban population is expected to be approximately 542 million in 2025 and 607 million in 2030.

Managing urban growth will play a key role in India becoming a developed nation by 2047. Since nearly 70% to 80% of the urban infrastructure needed by 2047 is yet to be built, sizeable investments will be required in housing, commercial spaces, and public infrastructure. By 2036, India will need to invest USD 840 billion in infrastructure. This infrastructure growth will have to be supported by enhanced public services, improved access to healthcare, efficient public transportation, steady water security and public safety. The increase in urbanization will also increase the need for improving air & water quality, which will in turn give impetus to clean / green / renewable energy initiatives and clean transportation. Today urbanization is not only confined to mega-cities but is also altering the landscape of Tier 2 and Tier 3 cities.

With the rapid rise in urbanization, the demand for personal mobility is growing and demands cleaner public transport solutions. India's transportation sector is undergoing a significant change, spurred by the government's strong push towards clean energy and zero emission vehicles. This is drawing government attention towards electric vehicles, hybrid vehicles and other non-emission technologies.

Policies Impacting the Indian Automobile Industry Regulations

Based on European emission standards, the Indian government has introduced the Bharat Stage ("**BS**") norms, which are being implemented in a phased manner in the country. These mandatory norms increase the capital expenditure of the auto OEMs and in turn significantly impact the industry's profitability. Currently BS-VI norms are being followed in India.

The PV industry has been conforming to safety regulations (such as mandatory installation of ABS/CBS, airbags, manual lock in anti-locking systems, seat belt warning system, speed warning system etc.) in new models. This has increased the manufacturing cost per vehicle. However, most car models, other than low-end ones, were already equipped with these safety instruments and for them, the impact will be subdued.

For the BS-VI stage 2 norms, applicable from Fiscal 2024, companies have invested in the relevant technology, research, and development, and signed joint ventures ("**JVs**") with global players. The norms resulted in price hike for vehicles across segments owing to the addition of new technologies to meet new emission regulations.

Safety norms

Bharat New Car Assessment Program ("**BNCAP**") was launched by Ministry of Road Transport and Highways ("**MoRTH**") on August 22th, 2023 with an aim to enhance the road safety of passenger cars by increasing the vehicle safety standards of these vehicles. BNCAP would promote a healthy competition between home grown OEMs and international OEMs to manufacture safer cars along with pushing the safety and quality of the vehicles in India. BNCAP rating system is a voluntary assessment program and came into effect on October 1, 2023.

BNCAP crash testing follows similar methodology followed in the Global New Car Assessment Programme ("**GNCAP**"). The testing method aims to offer star ratings to cars based on their performance in crash testing. The BNCAP regime has formulated a new standard, AIS 197 and will offer star ratings on a scale of five, for both adult occupant protection ("**AOP**") as well as child occupant protection ("**COP**") offered by a car in a crash test assessment. Apart from these, there are safety assist technologies like Electronic Stability Control ("**ESC**"), seat belt reminder, pedestrian protection and pole side impact that are considered as qualifier for each rating.

The crash testing protocols are:

- Frontal impact test
- Side impact test
- Pole side impact test

Other safety systems include mandatory ABS from April 2019, air bags for the driver from April 2020 and dual front airbags from January 2022. From June 2022, ESC became mandatory for all new cars. From June 2023, Anti-Lock Braking Systems ("**ABS**"), and seat belt reminders for both driver and front passenger became mandatory for all new cars. Further, the government proposed six airbags mandatory for all cars from October 2023, however, dropped their plans as the new BNCAP regime will push OEMs to equip their cars with safety features to obtain a high star rating.

Some other safety measures are:

- Seat-belt reminders
- Alert systems for speeds beyond 80 kmph
- Reverse parking alerts
- Manual override over central locking system for emergencies

Outlook on the Domestic Passenger Vehicle Industry

OEMs are expected to continue with launches of feature rich competitively priced vehicles aiding the overall demand growth.

The changing consumer dynamics including younger consumer base, premiumisation, electrification, shorter replacement cycles (4 to 5 years currently versus 7 to 8 years a decade ago) will provide further impetus to the demand.

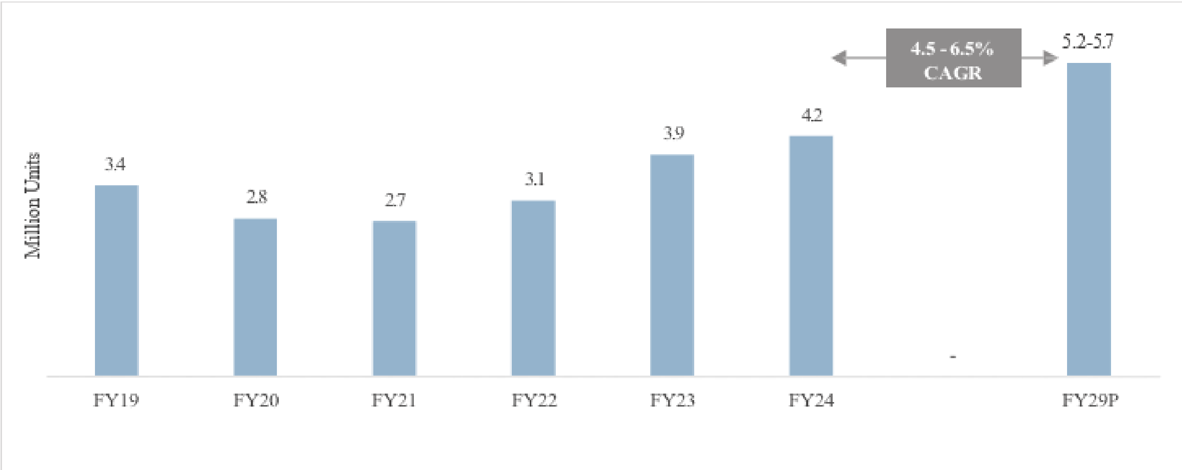
Additionally, the government's push for scrapping of old vehicles is expected to help in shortening replacement cycles and hence aid demand.

Over and above these demand drivers, the capacity expansion by players like Maruti Suzuki, Hyundai Motor India, Tata Motors is expected to support the growing vehicle demand. Moreover, the expansion in the supporting infrastructure like EV charging stations and CNG pumps will also aid choices for customers across powertrains.

CRISIL MI&A expects the industry to clock 4.5% to 6.5% CAGR between Fiscal 2024 to Fiscal 2029 period to reach 5.2 to 5.7 million domestic vehicle sales.

CRISIL MI&A has considered 3 different GDP growth scenarios for the next 5 years. At a 6% CAGR GDP growth scenario, the PV industry is projected to reach approximately 5.2 million units by Fiscal 2029 growing at 4.5% CAGR in the next 5 years. Assuming a 7% CAGR GDP growth, 5.5% CAGR growth can be achieved for the PV industry. If India achieves 8% CAGR GDP growth in the next 5 years, the domestic passenger vehicle industry will clock approximately 6.5% CAGR growth and reach approximately 5.7 million vehicle levels by Fiscal 2029 according to CRISIL MI&A estimates.

Fig: Domestic PV Industry outlook (volumes)



Source: SIAM, CRISIL MI&A

Segmental Outlook

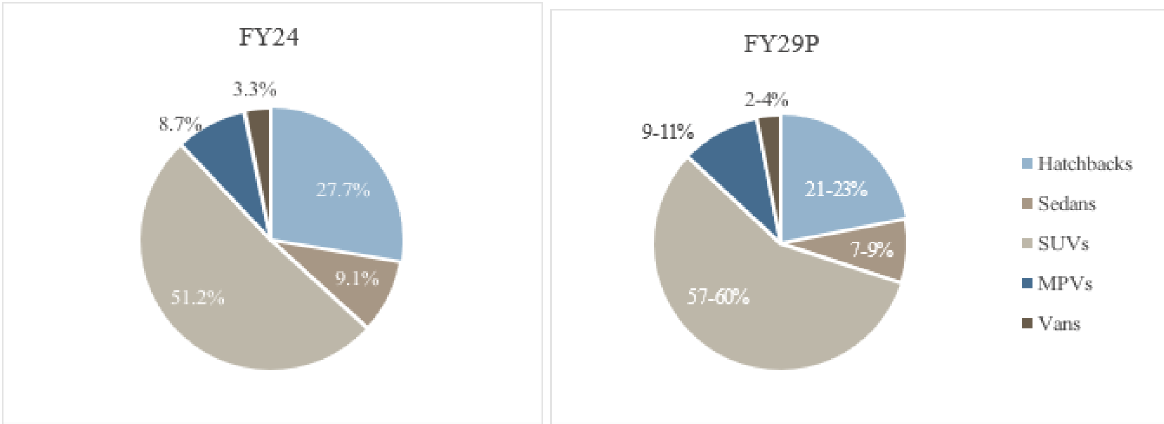
Growth in the domestic industry is expected to be led by the SUV and MPV segments while the hatchbacks, sedans and vans segments are expected to clock muted growth going ahead.

Table: Segmental growth outlook

Segment	Fiscal 2019-Fiscal 2024 CAGR	Fiscal 2024-Fiscal 2029P CAGR
Hatchbacks	**(6)%**	**0.0-2.0%**
Compact Hatchbacks	(8)%	(1.0)-0.5%
Premium Hatchbacks	0%	1.5-4.0%
Sedans	**(9)%**	**0.5-2.0%**
SUVs	**23%**	**7.0-9.0%**
Compact SUVs	23%	6.8-8.8%
Mid-Size SUVs	24%	7.8-10.0%
Large SUVs	21%	7.2- 9.2%
MPVs	**14%**	**6.4- 9.4%**
Vans	**(5)%**	**1.1-2.0%**
Total	**5%**	**4.5-6.5%**

Source: SIAM, CRISIL MI&A

Fig: Industry segmental split outlook



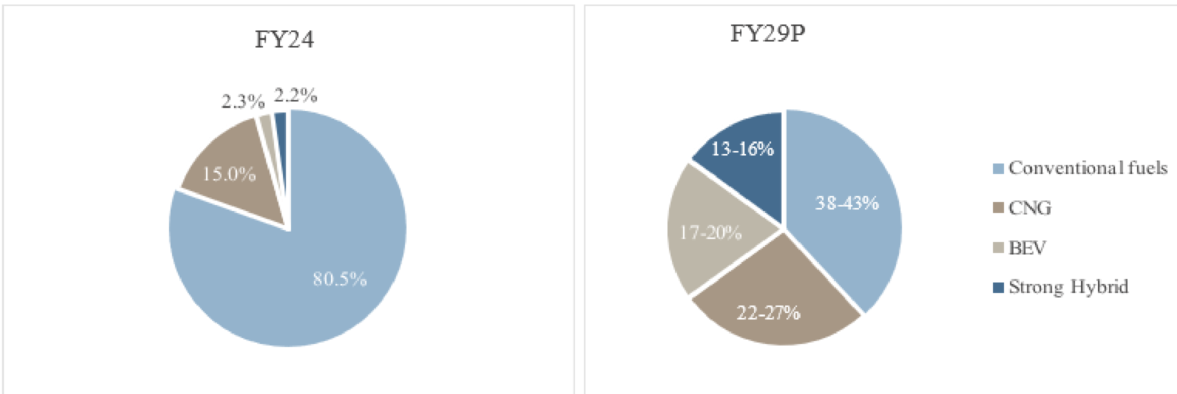
Source: SIAM, CRISIL MI&A

Outlook on the Powertrain mix of the industry

Indian domestic passenger vehicle industry, which was completely dominated by the conventional fuels, has witnessed fast acceptance of alternate fuels especially in the last 2 or 3 years. In fact, the share of CNG powertrain doubled to 15% while EV (2.3% share) and the latest addition, strong hybrids (2.2% share) expanded their presence in the vehicle retails.

Going forward, CRISIL MI&A expects the share of alternate fuel vehicles to witness a multi-fold growth while the conventional fuel vehicle's share will slide.

Fig: Powertrain wise Outlook of the industry



Note: Strong hybrid: Vehicles having a combustion engine as well as an electric motor. The vehicle can be powered by the engine, by the battery, or by both simultaneously. Battery of the vehicle is charged by the combustion engine and not by an external power source. Telangana & Lakshadweep retail data is not available on VAHAN.

Source: VAHAN, CRISIL MI&A

By Fiscal 2029, CRISIL MI&A projects the share of CNG variants to rise to 22-27% from the 15% share clocked in Fiscal 2024. Healthy growth in CNG station infrastructure will primarily thrust the growth of CNG vehicle share.

Amidst the government's push coupled with the support of City Gas Distribution ("CGD") players, completion of commitments under the CGD rounds is expected to pick up pace. Thus, CNG station infrastructure is projected to rise at a healthy pace till 2030.

Electrification is another trend witnessed in the Indian domestic passenger vehicle market in the last 2 or 3 years. Plethora of vehicle launches, expanding charging infrastructure and continued government support will aid further growth of electrification in India going ahead. CRISIL MI&A expects the EV penetration to reach 17-20% (approximately 1 million units) by Fiscal 2029 from the 2.3% penetration (approximately 90 thousand units) seen in

Fiscal 2024.

However, for EVs, range anxiety, limited charging infrastructure, import dependency on certain components, higher import duties and underdeveloped local supply chain are few bottlenecks.

The recent entry of strong hybrid vehicles such as Maruti Suzuki Grand Vitara, Maruti Suzuki Invicto, Toyota HyRyder, Toyota Hycross and Honda City have witnessed fast acceptance due improved mileage, environmental benefits coupled with absence of EV concerns like range anxiety, limited charging infrastructure, etc. In the last 2 years, strong hybrid powertrains have grabbed approximately 2% share of the annual retails of the PV industry.

In the long-term horizon, CRISIL MI&A projects higher traction for strong hybrids, further buoyed by attractive hybrid offerings, OEM focus, infrastructure availability and government support. By Fiscal 2029, strong hybrids are projected to contribute about 13-16% to the industry retails.

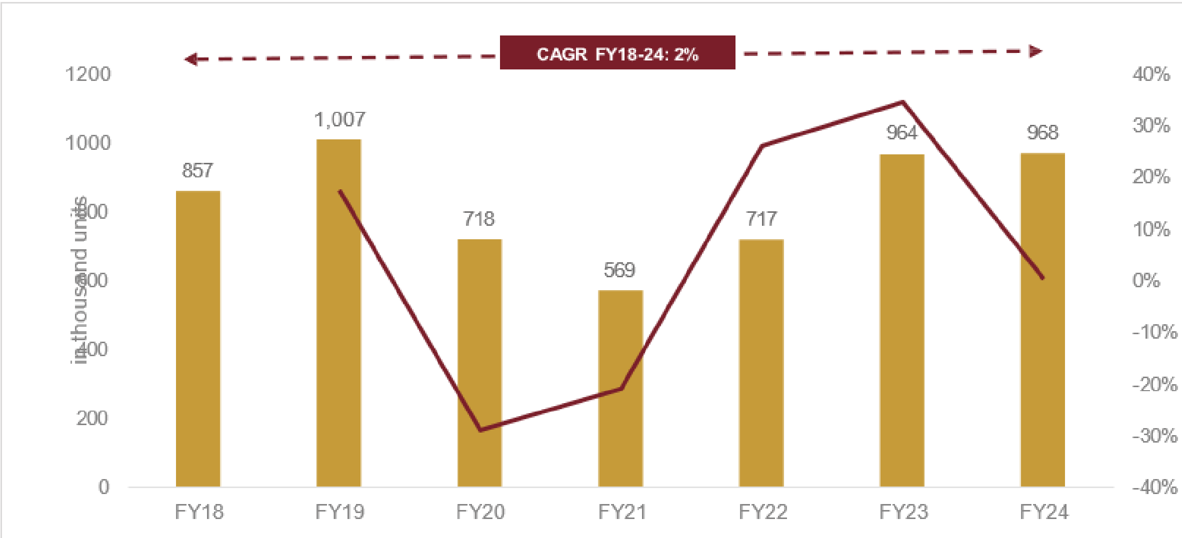
REVIEW OF INDIAN COMMERCIAL VEHICLE INDUSTRY

Historic Domestic Commercial Vehicle Industry

Between Fiscals 2018 and 2024, domestic commercial vehicle ("**CV**") sales logged a CAGR of 2%. The CV industry exhibited a noteworthy recovery in Fiscal 2023, achieving a remarkable growth rate of 35% over Fiscal 2022, albeit on a low base, and reaching 96% of the pre-pandemic levels observed in Fiscal 2019. This resurgence can be attributed to pent-up replacement demand, improved transporter profitability, and the pick-up in capex that had been hampered during the preceding 2 to 3 years due to economic stagnation and the disruptive impact of the pandemic.

In Fiscals 2018 and 2019 witnessed strong recovery as compared to 2016 to 2017 and a healthy 18% to 20% growth, supported by the government's focus on road and housing infrastructure development. In Fiscal 2020, the industry witnessed a sharp de-growth of 28% on a high base of Fiscal 2019, due to inventory adjustment on account of the transition to BS-VI emission norms. In Fiscal 2020, demand for buses was impacted due to safety regulations (emergency exit doors, fire detection and suppression, escape hatches and emergency lighting).

Figure 1: Review of domestic commercial vehicle industry (in volume terms of sales)



Source: SIAM, CRISIL MI&A

Growth Drivers for Commercial Vehicles in India

Increasing freight rates to aid in materialization of deferred demand

In Fiscal 2024, fuel prices constituted approximately 55% of transporter costs, exerting a considerable influence on their overall profitability. During this period, diesel prices experienced a modest increase of around 2%. Concurrently, freight rates also rose by an estimated 6%, signalling improved transporter profitability and heightened demand for freight services. These favourable factors are expected to boost CV sales, as the industry capitalizes on the increased demand in the transportation sector.

Shift in fuel types of CVs to CNG

The adoption of Compressed Natural Gas ("**CNG**") in the Light Commercial Vehicle ("**LCV**") segment faced challenges in Fiscal 2024 due to a significant 57% increase in CNG prices relative to a minor 2% rise in diesel prices. As a result, the gap between CNG and diesel prices narrowed, leading to a reduction in the Total Cost of Ownership ("**TCO**") benefits of CNG models. Consequently, the LCV segment observed a marginal decline in the share of CNG vehicles, indicating possible shifts in consumer preferences.

In Fiscal 2023, the share of CNG models in the LCV market dropped from 15% in the previous Fiscal to 12%. Similarly, in the Medium and Heavy Goods Vehicle ("**MHGV**") category, the share of CNG MHGV vehicles sold reduced from 11% in Fiscal 2022 to approximately 5% of total sales in Fiscal 2023. The increased cost of CNG compared to diesel impacted demand, prompting consumers to opt for diesel-powered vehicles instead.

In Fiscal 2023, with the Kirit Parikh committee recommendations on CNG pricing, CNG prices have declined by 4% to ₹ 74/kg. This decline in prices will open up the difference in total cost of ownership between Diesel and CNG favouring CNG transition.

In the first half of Fiscal 2024 the CNG prices dropped by approximately 4% and the diesel prices by approximately 3% respectively on-year. In the LCV segment and the MHCV segment, the proportion of CNG vehicles decreased marginally by 1%. The CNG model availability was one of the major factors that lead to the drop as there were supply side constraints caused by OEMs transitioning to BS VI stage II emission standards leading to the unavailability of the LCV CNG models.

Despite these challenges, the long-term prospects for CNG adoption remain promising. Fluctuating fuel prices and potential government incentives for eco-friendly alternatives could potentially reignite demand for CNG-powered vehicles. Moreover, advancements in CNG technology and the expansion of refuelling infrastructure may enhance the appeal of CNG models, offering a greener and more sustainable solution for the transportation sector.

Stable agricultural output

Over Fiscal 2024 to Fiscal 2028, CRISIL projects 3% to 4% gross value added ("**GVA**") growth in agriculture. In Fiscal 2023, Agri GVA grew at 4% over last year and expected to remain steady in coming years.

In the current Fiscal, kharif sowing was initially delayed due to the delayed monsoon. However, sowing has picked up in recent months. Moreover, higher MSP allocation for Fiscal 2024 and good prices in mandis have maintained the positivity on-ground. Going ahead, the rainfall progress and spread to play a key role for the current kharif cycle. The progress of the monsoon and its impact on rural demand especially for two-wheelers and tractors, remain as key monitorable.

Healthy industrial growth

The Indian industry's GVA grew at a tepid pace of 3.7% between Fiscals 2018-2023. After approximately 5% growth in Fiscal 2019, industrial GVA witnessed contraction in the next two years amidst the unfavourable macroeconomic scenario and the Covid pandemic.

From the low base of Fiscal 2021, industrial GVA bounced back rapidly in Fiscal 2022 and grew at approximately 11.5%. Gradual improvement continued in Fiscal 2023 at 4.4%. Over the next five-year period (Fiscal 2023 to Fiscal 2028), industry GVA is expected to be robust driven by the government's focus on 'Make in India'. Moreover, improvement in infrastructure and higher expected corporate expenditure is likely to support the capex cycle going forward post Fiscal 2023.

Gati Shakti

PM GatiShakti National Master Plan ("**PMGS-NMP**") was launched on 13th October 2021 for providing multimodal connectivity infrastructure to various economic zones. Cabinet Committee on Economic Affairs accorded approval for the implementation of PM GatiShakti National Master Plan on 21st October 2021. Essentially a digital platform to bring 16 Ministries including Railways and Roadways together for integrated planning and coordinated implementation of infrastructure connectivity projects.The multi-modal connectivity will provide integrated and seamless connectivity for movement of people, goods and services from one mode of transport to another. It will facilitate the last mile connectivity of infrastructure and also reduce travel time for people.

PM GatiShakti will incorporate the infrastructure schemes of various Ministries and State Governments like Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN etc. Economic Zones like textile clusters, pharmaceutical clusters, defence corridors, electronic parks, industrial corridors, fishing clusters, agri zones will be covered to improve connectivity and make Indian businesses more competitive. It will also leverage technology extensively including spatial planning tools with Indian Space Research Organisation imagery developed by Bhaskaracharya National Institute for Space Applications and Geoinformatics.

Focus on infrastructure and higher mining production to bolster tipper demand

The budgeted capex allocation for infrastructure ministries for Fiscal 2024 has shown a 28% increase over Fiscal 2023 RE (revised estimates) to ₹ 18.6 lakh crore. Execution by the National Highways Authority of India will reach up to approximately 14 to 15 km/day in Fiscal 2027, as against approximately 11 km/day in Fiscal 2021, aided by the Bharatmala project. Projects such as Sagarmala and investments in various irrigation projects will further drive MHCV demand. We expect coal production to expand at approximately 4.5% to 5.5% CAGR between Fiscals 2023 and 2028, while iron ore mining will also likely grow at approximately 3.5% to 4.5% CAGR during this period, aiding tipper demand.

Capacity utilization and profitability of transporters

Utilization of transporters depends on:

- Availability of freight - driven by growth in industrial and agricultural production and port traffic
- Regulations on vehicle age, weight, permit and tax norms
- Improvements in road infrastructure, which improve the turnaround time

A rise in utilization translates into better cash flow for transporters and, hence, augurs well for CV sales. Factors influencing transporter profitability are:

- Freight rates and capacity utilization
- Bargaining power
- Fuel cost and fuel efficiency
- Capital cost
- Agency commission and wage cost
- Operating and maintenance costs, such as tyre prices and toll rates

The dynamics of the domestic freight transport industry play an important role in determining demand for CVs.

Replacement demand

LCVs are typically replaced every 6 to 8 years, and vehicles purchased between Fiscals 2011 and 2013 were due for replacement in Fiscal 2019. Replacement demand is expected to be particularly high for the sub-one-tonne segment, given its robust sales during Fiscals 2011 and 2013. This strategic replacement cycle contributed to stable sales in Fiscal 2019 and prevented a major decline in LCV sales in Fiscal 2020 after robust sales in Fiscals 2018 and 2019. The postponement of replacement volumes since Fiscal 2020 has further supported LCV demand volumes in Fiscal 2023.

JNNURM – I (Jawaharlal Nehru National Urban Renewal Mission) buses, sold during the peak seasons of Fiscals 2011 and 2012, are expected to be replaced once funds are released by the central and state governments for purchase. This replacement is expected to gain pace now, aiding long-term MCV bus growth. The government’s mandate to replace private vehicles (such as vans) with school buses in some cities, is also expected to augur well.

Also, the centre’s scrappage policy is likely to attract 6,00,000 to 6,50,000 MHCV vehicles for scrapping there by driving the replacement demand.

Scrappage policy

MoRTH, in August 2018, considered incentivizing the scrapping of vehicles sold before April 2005 (15 years old). After deliberations on the modalities on implementation of the norm, the government currently aims to promote vehicle scrapping by exempting registration charges for truck purchases made after scrapping older trucks. To incentivize scrappage of older vehicles, the government has increased the registration charges for older vehicles and increased stringency of fitness tests. These will entail higher costs for owners of older vehicles. Hence, by disincentivizing the ownership of older vehicles, the government expects the scrappage of older vehicles to increase. We expect the impact of the norms to be limited on additional scrappage (apart from vehicles scrapped in the normal course of business). If, through higher incentives from the government and OEMs, transporters can be incentivized to scrap vehicles older than 15 years, we expect 6,00,000 to 6,50,000 MHCVs to be available for scrapping.

Outlook of the Indian Commercial Vehicle industry

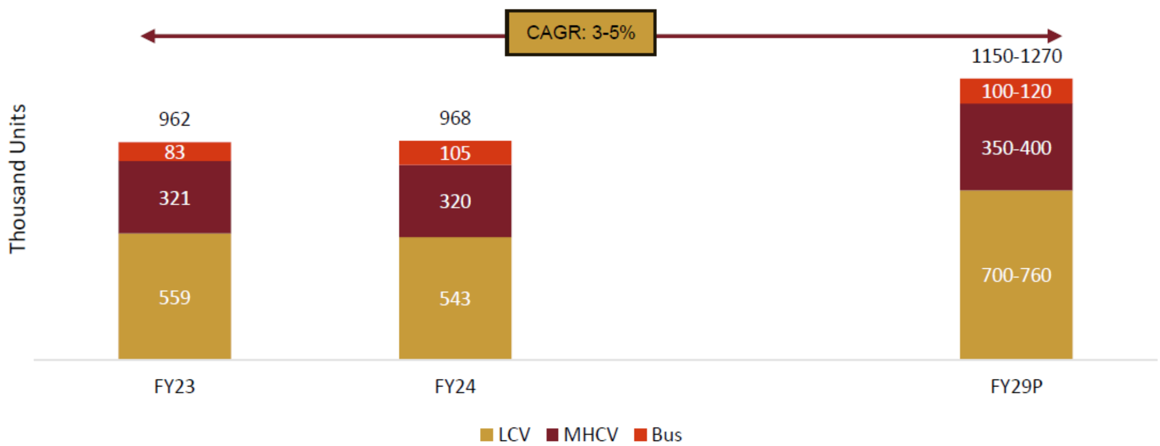
The CV industry recovered spectacularly in Fiscal 2023, with a 34% growth rate and 0.6% in Fiscal 2024, reaching 96% of pre-pandemic levels of Fiscal 2019. Increased government spending, robust replacement demand, and strong end-user sectors such as construction and mining are expected to support growth.

LCV sales degrew by -3% in Fiscal 2024, supported by sustained replacement demand with rising competition from electric three-wheelers, especially in the sub one tonne segment restricting further expansion. In Fiscal 2023, LCV sales recorded impressive growth of 23%, rebounding to 99% of pre-pandemic levels. The surge in sales can be attributed to robust replacement demand, especially in the sub-one-tonne category, which was deferred due to economic challenges and the pandemic. However, LCV sales declined 9% in the first quarter of Fiscal 2024 due to supply side constraints on account of OEMs transitioning to BS VI stage II emission standards. Despite this setback, the industry anticipates a revival in sales in the upcoming quarters, driven by a good monsoon season and an improved economic outlook with the easing of supply constraints.

Bus sales witnessed an increase of 26.8% in Fiscal 2024, owing to strong replacement demand and urbanisation trends. CNG adoption has been hampered, affecting LCV sales. The CV industry, led by MHCVs, is expected to grow steadily over the next five years.

Over the long-term horizon, domestic CV sales are projected to record a 3% to 5% CAGR between Fiscals 2024 and 2029, led by a 5% to 7% CAGR in the LCV segment, 2% to 4% CAGR in the M&HCV segment and 1% to 3% CAGR in the bus segment.

Figure 2: Commercial vehicle domestic sales outlook



P: Projected; E: Estimated,
Source: SIAM, CRISIL MI&A

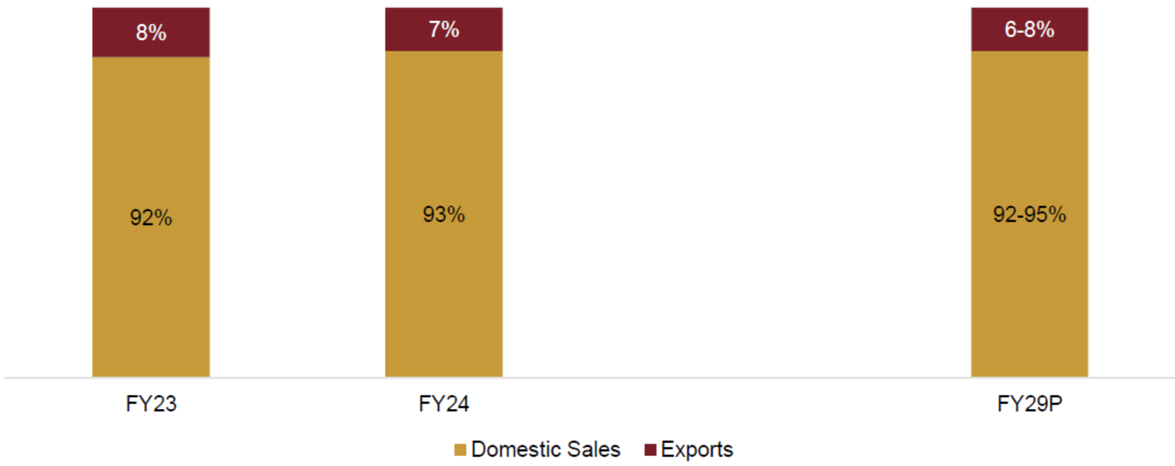
Split by domestic sales and exports

The Indian CV industry is expected to remain domestic-focused, with domestic sales comprising approximately 93% share of production even in Fiscal 2029. However, with exports projected to grow at 5% to 7% CAGR between the Fiscal periods 2024 to 2029, their contribution to overall production is likely to remain flat.

The second COVID-19 wave resulting in lockdowns in key affected areas in the first quarter of Fiscal 2022 impacted domestic sales across segments, posting a healthy fourth quarter in Fiscal 2021. Consequently, LCV and MHCV volumes declined approximately 42% and approximately 63% sequentially (on-quarter) and overall CV volumes by approximately 50%. Also, with a significant share of loans under moratorium amid low fleet utilization and freight rates, risk-averse financiers limited wholesale offtake. In Fiscal 2022, LCV and MHCV sales improved by approximately 17% and 50% and on-year respectively over a low base of Fiscal 2021. As mobility restrictions were relaxed and economic activities started picking up after the second wave abated in the first quarter of Fiscal 2022, CV sales have picked up. This resurgence can be attributed to pent-up replacement demand that had been hampered during the preceding 2 to 3 years due to economic stagnation and the disruptive impact of the pandemic.

On the exports front, manufacturers are directing their investments into expanding presence to other Asian countries from neighboring countries such as Bangladesh, Nepal, and Sri Lanka to Africa and the Middle East. Domestic players are also considering setting up assembly operations across multiple markets. Also, going forward, new product line-ups and technology upgradation will allow domestic players to enter relatively advanced markets of south-east Asia. The economic slowdown is anticipated to lead to reduced consumer spending and investment in various regions, subsequently impacting merchandise trade volumes and posing significant challenges for India's export prospects.

Figure 3: CV industry split into domestic sales and exports



Note: P - Projected
Source: SIAM, CRISIL MI&A

CRISIL MI&A expects sales of commercial vehicles to grow at a CAGR of 3% to 5% between Fiscals 2024 and 2029 aided by healthy industrial growth, focus on infrastructure and higher mining production. CV sales has plummeted approximately 29% in Fiscal 2020 and further by approximately 21% in Fiscal 2021. The fall in sales had created a low base over which volumes have witnessed growth of approximately 26% in Fiscal 2022. In the last three years (Fiscal 2020 to Fiscal 2023), the industry demonstrated a strong CAGR of 10%. The rise in tonnage addition is expected to be driven by an improved product mix, with a notable surge in demand for Multi-Axle Vehicles ("**MAV**") and T-Trailer despite a shift to lower tonnage vehicles due to axle norm regulations.

End-use sector outlook (between Fiscals 2024 and 2028P)

Key end-use segments and outlook		
Sectors	**Growth outlook (Fiscal 2024 to Fiscal 2028)**	**Key aspects**
Coal	5% to 6%	Growth in coal-based power generation Demand from allied sectors such as cement and sponge iron
Steel	6% to 7%	Building and construction, the major demand creator in this segment Demand to be driven by rural housing / affordable housing and commercialization of Tier III/IV cities
Cement	5% to 6%	Infrastructure demand also plays an important factor according to National Infrastructure Pipeline (NIP)
Port movement	2% to 5%	Iron ore exports to support growth, as global demand

Key end-use segments and outlook		
Sectors	**Growth outlook (Fiscal 2024 to Fiscal 2028)**	**Key aspects**
		for steel improves. POL trade (imports) particularly in LPG posed to go up
Road investment	8% to 12%	NIP to drive infrastructure investments on roads and highways. CRISIL MI&A expects the Government of India to be able to achieve 80% to 85% of its targeted investments.
E-commerce	20% to 25%	Food, fashion and grocery segments grow at a faster rate as penetration improves. E-retailers to focus on expansion in Tier I/II cities over this period.

Source: CRISIL MI&A

Medium & Heavy Commercial Vehicles Set to Thrive in the Coming Five Years

The MHCV industry is expected to grow significantly, with a CAGR of approximately 2% to 4% projected from Fiscal 2024 to Fiscal 2029.

Long-term MHCV sales are likely to be driven by several factors, including the country's improving industrial activity, consistent agricultural output, and the government's continued emphasis on infrastructure development. However, volume growth may be limited due to efficiencies gained from the implementation of the GST, the development of improved road infrastructure, and the commissioning of the dedicated goods corridor ("**DFC**"). Nonetheless, the industry remains on a promising growth trajectory in the coming years.

Over the next five years (Fiscals 2024 to 2029), industry GVA is expected to be robust, driven by the government's emphasis on "Make in India." Furthermore, infrastructure improvements and higher-than-expected corporate spending are expected to support the capex cycle after Fiscal 2024.

LCV sales to grow at a modest pace in the long run.

LCV demand is expected to grow at a 5% to 7% CAGR from Fiscal 2024 to Fiscal 2029, owing to increased private consumption, lower penetration, increased availability of redistribution goods, and improved financing. The industry grew at a 4% CAGR between Fiscal 2018 and 2024.

Upper-end light commercial vehicles ("**ULCVs**") provide lower returns to the transporter than ICVs and are best suited for captive use. Entry restrictions on ICV trucks and higher tonnage MHCVs are expected to keep demand from this segment buoyant. However, the higher toll on ULCV trucks versus pickups will limit segment growth.

SCV segment now offers a diverse range of products in various tonnages that cater to the needs of all types of customers. To fill tonnage gaps, players have launched a slew of new products, particularly in the last five years. In addition, the availability of CNG options is expected to keep volumes in this segment stable.

Bus demand is to witness strong growth over the next five years.

Domestic bus sales are expected to grow at a CAGR of 1% to 3% between Fiscals 2024 and 2029. Increased demand for inter-city/state travel, aided by improved road infrastructure, and higher personal disposable incomes will drive growth. The unregulated segment, which primarily serves demand from schools, businesses, and intercity travel by private operators, will continue to be the largest end-user. However, the implementation of metro-rail and monorail in several cities would have an impact on future bus sales growth. In terms of penetration (buses per 1,000 people), India ranks last among the countries studied, with 1 bus per 1,000 people and a 35% urbanization rate. These calls may have an upside if the scrappage policy is enforced, as well as increased urbanization and replacement of JNURM buses purchased between Fiscal 2010 and Fiscal 2013.

Review and outlook for electrification in commercial vehicles (Fiscal 2018 to Fiscal 2029P)

Electrification in commercial vehicles

The Government of India has undertaken several steps to ensure proliferation of electric vehicles, such as Faster Adoption and Manufacturing of Hybrid & Electric Vehicles (FAME I & FAME II), Phased Manufacturing Program

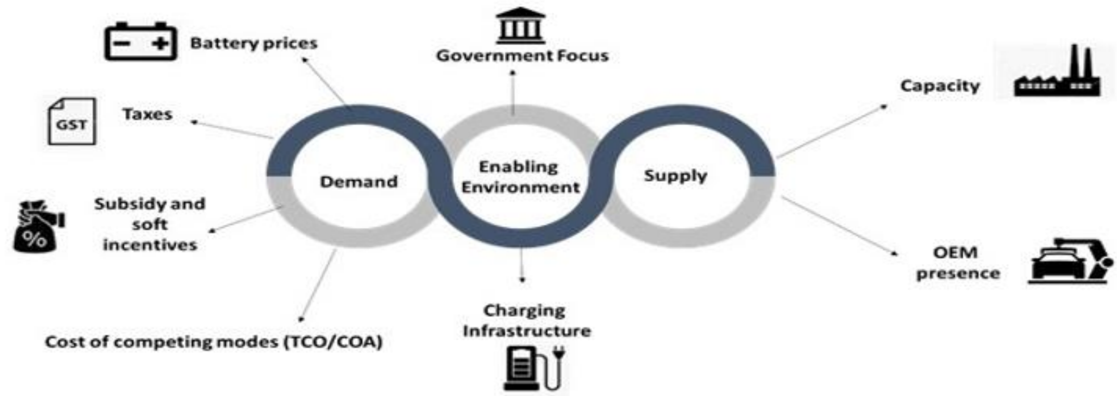
("**PMP**") and PLI to name a few. The same has been supported by lucrative state EV policies, which a few progressive states have released.

Electric vehicles share of various vehicles segments such as two wheelers, three wheelers, passenger vehicles and buses are still in single digits despite multiple measure by the Government to support electric vehicle sales. EV penetration is low currently due to many issues such as limited presence of mainstream OEMs, model availability in certain segments like motorcycles, lack of charging infrastructure, financing availability etc.

Currently, most EVs used in the commercial segment as goods carries are three-wheelers and LCVs are picking pace. However, as the cost differential between electric and diesel vehicles start reducing, CRISIL expects new models to be launched, which will drive sales in the segment as the third-mile logistics and local distribution of goods are well suited applications for electric vehicles.

Due to the Government support through FAME and focus on quicker adoption of EVs in public transport, there has been significant increase in electric bus sales in the last couple of years. Further, through the introduction of PM eBus Sewa scheme government aims to augment the city bus operations using 10,000 e-buses through Public- Private Partnership model across India. The Scheme will support bus operations for 10 years and would have an estimated cost of ₹ 57,613 crore, out of which support of ₹ 20,000 crore will be provided by the Central government. Operational profile of buses with fixed routes and regular stops makes them suitable for charging at pre-determined intervals and specific locations.

EV demand drivers



Source: CRISIL MI&A

- Lesser environmental impact: Compared to ICE vehicles, limited impact of EVs on the environment is the primary reason for increasing focus on electric vehicles globally. It is expected to drive the demand going ahead.

- Government Focus: Central as well as state government are focussing on promoting electric vehicles to the consumers. Governments are incentivising customers in the form of subsidies, tax breaks, waiver on registration certificates and renewal of RC for EVs etc. The Government incentives will remain the major driving force for the EV adoption. For commercial vehicle segment, government is also supporting EV usage through STUs by committing to convert a significant portion of the public transport infrastructure fully electric in the next few years.
- Lower operating costs: One of the primary advantages of an EV for the customer is its lower operating cost. The recent rise in fuel costs has provided an added impetus to the EV adoption. Although the cost of acquisition is still one of the major hurdles for EVs, lower operating cost is expected to remain a significant incentive for customers. The lower battery cost, reduced GST rate of 5% and FAME-II demand incentive are expected to improve the cost of ownership and hence viability of EVs.

- Charging infrastructure: Availability of charging infrastructure remains a key determinant in EV adoption. Government, power distribution companies, OEMs are focussing on expanding the supplementary infrastructure including the charging infrastructure which will surely aid the EV adoption in the longer run. For instance, The Ministry of Road Transport and Highways announced plans to set up EV charging kiosk at each of India's 69,000 petrol pumps across the country. State government of Andhra Pradesh has decided to set up approximately 400 EV charging stations along the National and State Highways. Delhi government has announced to set up charging stations within every 3 kms distance in the city. Besides, large corporate such as MG Motor and Tata Motors installed 60 kW Super-fast EV charging station in Mangalore.

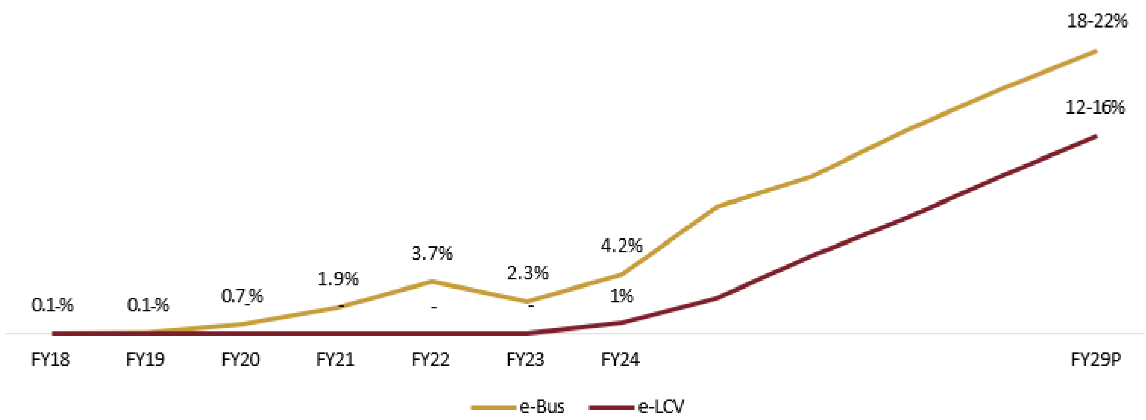
- Increased OEM presence: Most of the mainstream players are planning to launch an electric vehicle offering which is expected to boost the sales in the longer horizon.

- Capacity expansion: Most OEMs are expanding EV capacity to address the expected rise in electric vehicles. Moreover, government push in the form of mandatory localisation, PLI schemes will also provide an additional support to the capacity expansion.

- Competitive pricing: Battery is the primary contributor to the high electric vehicle prices. Through R&D, manufacturers are trying to lower the battery pricing while increasing the vehicle range. Companies are trying to achieve a golden mean between pricing and the range. This improvement in the customer offering will provide an impetus to the EV demand.

Batteries account for approximately 40% to 50% of the total EV cost. Prices of batteries have been falling moderately. The fall is expected to continue over the next five years. India is highly dependent on imports of batteries due to lack of manufacturing facilities for battery cells. However, the Government announced initiatives for reducing battery prices further by localization of electric vehicle battery manufacturing. As part of the production-linked incentive scheme, the Union Cabinet earmarked approximately ₹ 18,100 crores for setting up 50 giga watt hour ("**GWh**") of ACC manufacturing facility and 5 GWh of niche ACC capacity.

EV penetration in CVs (Fiscal 2018 to Fiscal 2029P)



Note: Fiscal 2021 and Fiscal 22 were COVID impacted years and hence the overall sales of buses were low which leads to low base effect in Fiscal 2021 and Fiscal 22
Source: CRISIL MI&A, VAHAN

Electrification in passenger vehicles (buses)

EV bus registrations skyrocketed in the last 3 years backed by adoption by STU as well as government incentives. During Fiscal 2019 to Fiscal 2023 period, EV bus registration increased at a breakneck pace of 133% CAGR with more than 600% on year growth clocked in Fiscal 2020. EV penetration was insignificant till Fiscal 2019, it gained some pace during Fiscal 2020 and received a real boost during Fiscal 2022 to reach more than 1,100 units and reached 3.7% of overall registrations. Growth momentum continued in Fiscal 2023 with year-on-year growth of 61% reaching more than 1,900 units.

Due to the government support through FAME and focus on quicker adoption of EVs in public transport, there has been a significant increase in electric bus sales in the last couple of years. Operational profiles of buses with fixed routes and regular stops make them suitable for charging at pre-determined intervals and specific locations. However, sales of electric buses are unlikely to meet the target in Fiscal 2021 due to the pandemic and hence we expect the subsidy amount to get carried over to the coming years.

The price of an electric bus is electric bus is considerably higher than the cost of a bus running on diesel. Thus, subsidy would be a key driving factor that would drive EV adoption in STU buses. We expect a large part of the STU intra city buses to be electric by Fiscal 2028. However other segments are unlikely to see a meaningful penetration of electric buses owing to their high cost of acquisition and limited range limiting their ability for intercity travel.

CRISIL expects FAME subsidies to be extended for buses as the policy period ends in Fiscal 2024. With other incentives from the central and state governments, the sales of electric bus penetration is expected to reach 18% to 22% by Fiscal 2029.

Electrification in LCV goods vehicles

Currently, most of the EVs used in the commercial segment as goods carries are three-wheelers. However, as the cost differential between electric and diesel vehicles start reducing, we expect new models to be launched. This will drive sales in the segment as the third-mile logistics and local distribution of goods are well suited applications for EVs. Tata Ace EV is the only e-SCV currently in the market.

Consequently, as depicted in the chart above, EV sales in the LCV goods segment can rise to 81,000 to 82,000 vehicles by Fiscal 2028. This would be about 12% to 13% of the total LCV goods vehicle market, as CNG offers better TCO in near future and will be preferred over electric variants. Further EV penetration is expected to grow and reach 12% to 16% by Fiscal 2029.

Electrification in HCV goods vehicles

EV adoption in the HCV segment is expected to be negligible in the near future as operational profile makes them highly expensive. Further, the current charging infrastructure is not suitable for larger HCV batteries, which will make electric adoption unviable for some time.

Policies driving the adoption of EVs

The Government of India and several state governments together has introduced a set of Fiscal and non-Fiscal incentives to support the adoption of electric mobility. These incentives include tax breaks, subsidies, and lower registration chargers through multiple policies to promote demand. To strengthen the manufacturing ecosystem, various policies have been launched to strengthen the component and charging infrastructure.

TCO assessment

A comparison of TCO of various CV types will provide a view as to how much a vehicle costs to own and operate over a period. Commercial operation of any vehicle will be viable only if the cost of operating it is below the revenue earned. A vehicle with a significantly higher cost of operation will not be viable due to competition from other vehicle categories and varying powertrains.

TCO between Fiscals 2024 and 2029P for sub-segments LCV and Bus:

LCV (Sub 1 ton category)

CNG is the cheapest alternative powertrain, in the current scenario, due to the excessively high initial cost of electric LCVs. In the case of LCVs (at Delhi prices), the operating cost of an EV is 5% higher than that of a comparable diesel vehicle.

However, the operating cost of an EV is 14% higher than that of a comparable CNG vehicle, due to which the break-even period of an EV compared with a CNG vehicle is relatively higher.

As regards the cost of ownership, while EVs may be able to match the cost of diesel LCVs by Fiscal 2032, they will still be considerably costlier than CNG LCVs.

Table 3: TCO analysis for LCV – without subsidy

Fiscal 2024				Fiscal 2029			
TCO period (years)	**4 years**	**6 years**	**8 years**	**TCO period (years)**	**4 years**	**6 years**	**8 years**
Diesel	23.1	22.5	22.1	Diesel	28.3	27.5	27.1
CNG	21.2	20.5	20.1	CNG	26.4	25.6	25.1
Electric	24.2	23.0	22.3	Electric	27.9	26.7	26.0

Note: Numbers denote TCO in ₹ per km, TCO period united in years, this is for TATA ACE vehicle without subsidy.

Bus

The cost of ownership of an electric bus is in the range of a standard diesel bus over the long term. Commercial operation of any vehicle will be viable only if the cost of operating it is below the revenue earned. A vehicle with a significantly higher cost of operation will not be viable due to competition from other vehicle categories and varying powertrains.

The cost of ownership of an electric bus is like that of a standard diesel bus. In the bus segment, owing to the excessively high battery cost, there is a 4 to 5 times difference in the initial purchase cost of a diesel/CNG bus and an electric bus. Because of this large differential, the gap in the break-even period between electric and diesel powertrains is more than 20 years despite a 30% to 35% lower operating cost for EVs. Hence, we believe capital subsidy would be needed to make electric buses viable by Fiscal 2029, which, in turn, may limit their penetration to the public transport segment.

Table 4: TCO analysis for MCV buses – without subsidy

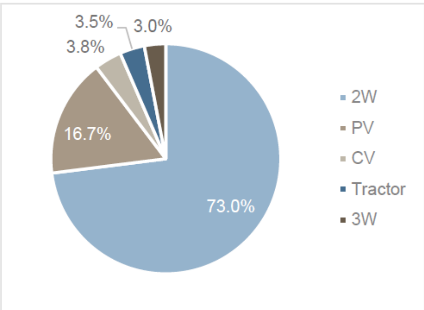
Fiscal 2024				Fiscal 2029			
TCO period (years)	**4 years**	**6 years**	**8 years**	**TCO period (years)**	**4 years**	**6 years**	**8 years**
Diesel	43.0	41.9	41.0	Diesel	47.4	46.0	45.0
CNG	36.2	34.9	34.0	CNG	40.7	39.2	38.0
Electric	48.6	46.2	44.3	Electric	46.3	44.0	42.3

Note: Numbers denote TCO in ₹ per km, TCO period united in years, for 12m bus without subsidy.

Review of the Indian two-wheeler industry

India is the largest motorised two-wheeler market by volume in the world, with domestic sales of 18.4 million units in Fiscal 2024. Indian automobile segment primarily consists of two-wheelers ("**2W**"), passenger vehicles ("**PV**"), commercial vehicles ("**CV**"), three wheelers ("**3W**") and tractors. Two-wheeler is the largest segment and contributed 73% to the total auto market by volume followed by the passenger vehicle segment which contributed 16.7%.

Figure: Segment wise split of the Indian Automobile market by volumes (Fiscal 2024)



Source: SIAM, VAHAN, CRISIL MI&A

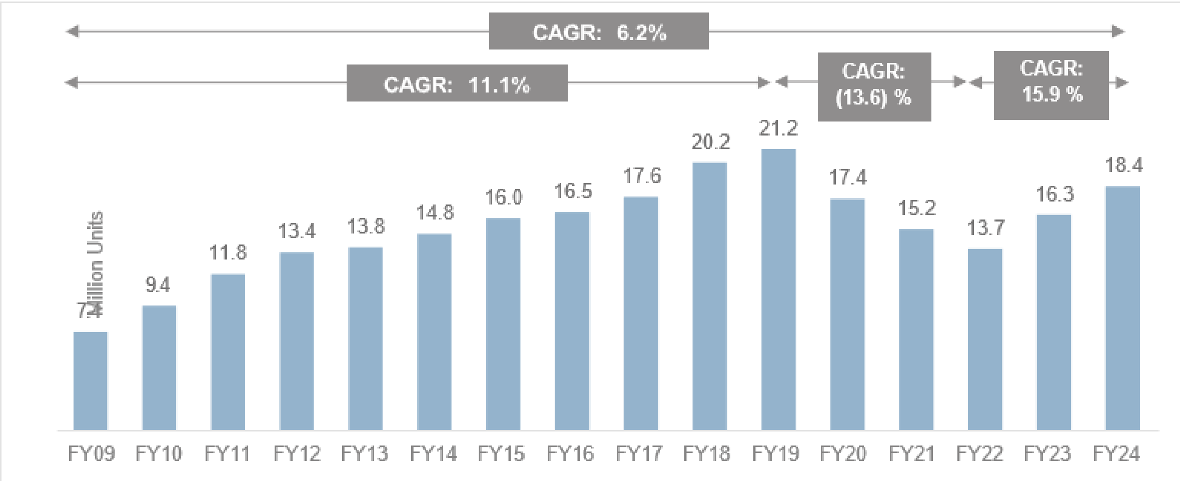
The two-wheeler segment sees a healthy demand in India and is preferred over four wheelers by majority of the Indian population especially for their regular commute. This is primarily due to the lower acquisition cost, higher mileage, lower maintenance costs, ease of navigation especially during the traffic hours, hassle free parking and suitability of two-wheelers on rugged roads.

In the last 15 years (Fiscal 2009 to Fiscal 2024), domestic two-wheeler industry has grown at a CAGR of 6.2% and reached a volume of 18.4 million in Fiscal 2024. Within this period, the industry accelerated at a much faster pace of 11.1% CAGR over the 10-year period from Fiscal 2009 to Fiscal 2019 and reached a historic high of volumes of 21.2 million in Fiscal 2019.

During Fiscal 2009 to Fiscal 2019, India's GDP as well as private final consumption expenditure grew at a healthy pace of 7% CAGR. Moreover, inflation levels were on a tapering trend reaching approximately 3% levels in Fiscal 2019. This favourable macro-economic environment led to a rise in disposable incomes and provided a thrust to the industry growth during the decade. Additionally, expansion in vehicle portfolio by OEMs, accelerated growth in scooters segment and a healthy growth of higher cc motorcycles (more than or equal to 125 cubic centimeters ("**cc**")) provided additional support to the industry growth during the decade. Moreover, vehicle prices rose at a nominal level of 3% to 5% during the period which limited the rise in acquisition costs for the customers. The continued support from financers provided an additional support to the industry growth.

These favourable factors helped the two-wheeler industry reach a historic high of 21.2 million volumes in Fiscal 2019. These record sales were achieved despite the higher-than-normal price rise due to BS IV emission standard implementation in Fiscal 2018, GST implementation in Fiscal 2018 and demonetization in Fiscal 2019 that restricted 2W purchases.

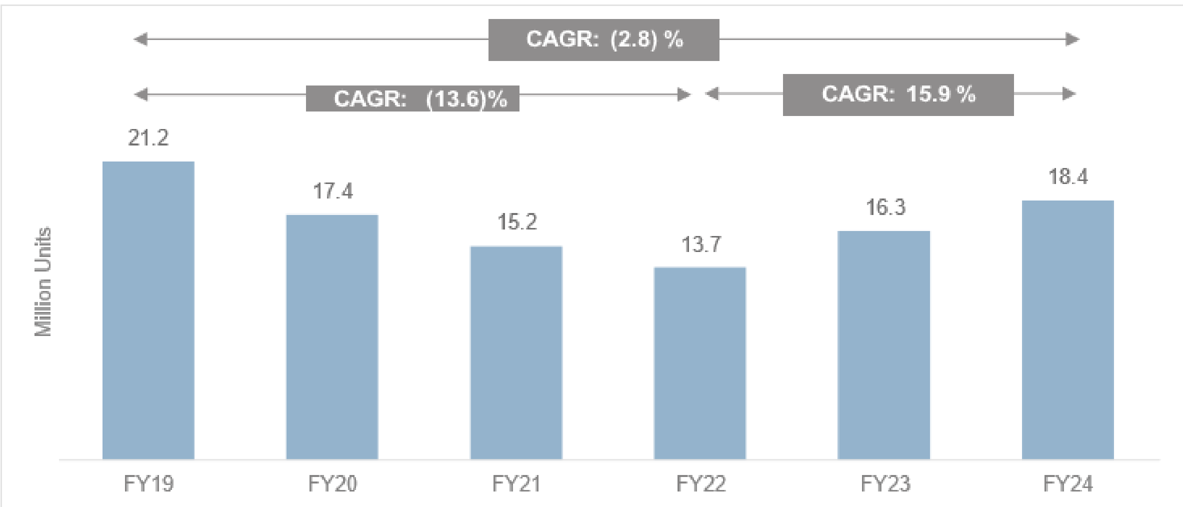
Figure: Domestic two-wheeler sales volume trend – Fiscal 2009 to Fiscal 2024



Note: Figures in bracket to be read as negative (For example, (10) to be read as minus 10)
Source: SIAM, VAHAN, CRISIL MI&A

However, in the next 4 years, Fiscal 2019 to Fiscal 2022, the industry witnessed contraction at 13.6% CAGR amidst the pandemic, nationwide lockdowns, reduced mobility, unfavourable macroeconomic scenario, closure of schools, colleges and offices, and work from home impacting the demand for two-wheelers.

Figure: Domestic two-wheeler sales volume trend – Fiscals 2019 to Fiscals 2024



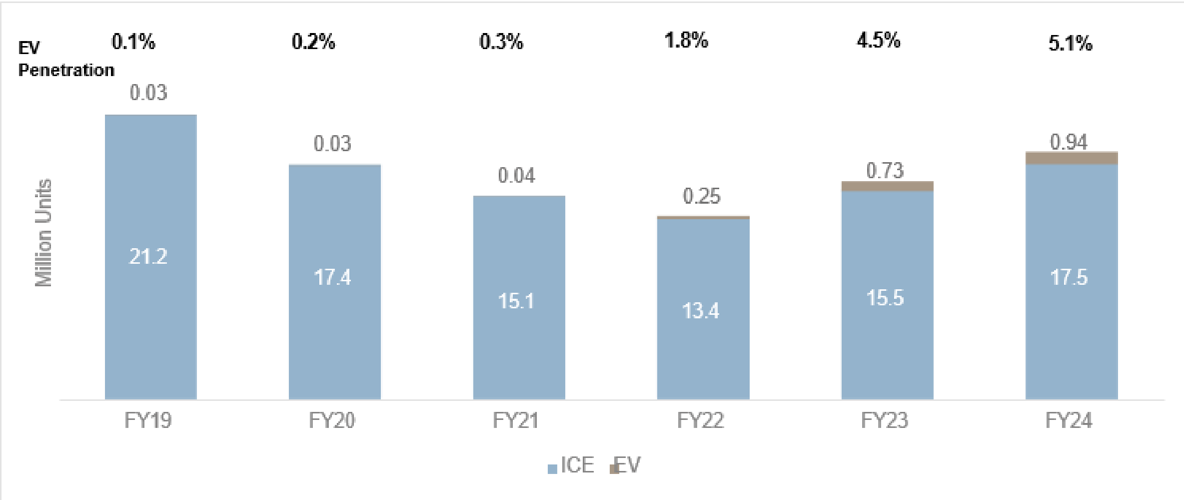
Note: Figures in bracket to be read as negative (Eg. (10) to be read as minus 10), Data for ICE and EVs; EV retail data from VAHAN has been considered.
Source: SIAM, VAHAN, CRISIL MI&A

The pent-up demand, because of the postponement of purchases during the pandemic period and sharp rise in scooters demand with restarting of colleges and offices provided thrust to the industry demand. Despite normalization of public transport, improved frequency of intracity bus and railway services, the demand for last mile mobility and in turn the demand for two-wheelers remained buoyant during the year.

Over and above this, the EV segment retail sales nearly tripled during the year giving an added fillip to the overall sales in Fiscal 2023. However, the increased interest rates amidst higher repo rates and further increase in vehicle prices restricted the growth of two-wheeler industry sales during Fiscal 2023.

2W industry sales further increased by 13% during Fiscal 2024 backed by improvement in macro-economic scenario, rural support, continued traction for less than or equal to 125cc motorcycles as well as scooters. Furthermore, continued demand for electric two-wheelers despite the subsidy cut supported the growth in Fiscal 2024. New launches especially in the premium segments provided an added support to the demand. Additionally, more than or equal to110 cc motorcycles subsegment witnessed some improvement during the year after consecutive contractions, aided by limited rise in ownership costs as well as increased customer incentives. Moreover, continued support from financers also aided the overall industry growth in Fiscal 2024.

Figure: Domestic two-wheeler sales volume trend (ICE versus EV)



Source: SIAM, VAHAN, CRISIL MI&A

Table: Domestic two-wheeler sales volume trend (ICE versus EV)

Year-on-year growth	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	CAGR
ICE	4.9%	(17.8)%	(13.2)%	(11.1)%	15.5%	12.7%	(3.7)%
EV	1393.6%	(4.1)%	67.0%	464.1%	187.9%	28.5%	101.7%

Source: SIAM, VAHAN, CRISIL MI&A

In the last 5 years, the electrification within the industry has helped grow the industry sales. Even during the years, when the ICE vehicle sales slid, the sharp rise in EV retails restricted the drop in the overall 2w sales volumes.

During Fiscal 2019 to Fiscal 2024 period, ICE segment contracted at 3.7% CAGR and EV retails skyrocketed with a 101.7% CAGR, albeit from a lower base.

OVERVIEW OF THE US AND EU PV INDUSTRY (2018 TO 2029)

The passenger vehicle market was valued at USD 665.82 billion in 2023 and is expected to reach USD 912.27 billion by 2029, witnessing a CAGR of 5% to 7% during the forecast period.

The United States and Europe are witnessing a growing appetite for passenger vehicles, propelled by technological advancements, evolving consumer tastes, easy access to credit and finance for purchase and rapid urbanization. A key driver behind this surge is the escalating disposable incomes of consumers.

As incomes rise, individuals are increasingly inclined to invest in luxury cars. This pattern is particularly pronounced in emerging markets, where economic expansion has bolstered a more affluent middle class. Empowered with greater purchasing power, consumers are favoring personal mobility solutions, fueling the demand for passenger vehicles.

Rapid technological advancements in the automotive industry are a key driver of the increasing demand for passenger vehicles. Car manufacturers, from electric vehicles to autonomous driving features, are continuously innovating to meet evolving consumer needs. Notably, the United States and Europe are witnessing a surge in demand for environmentally friendly and technologically advanced vehicles.

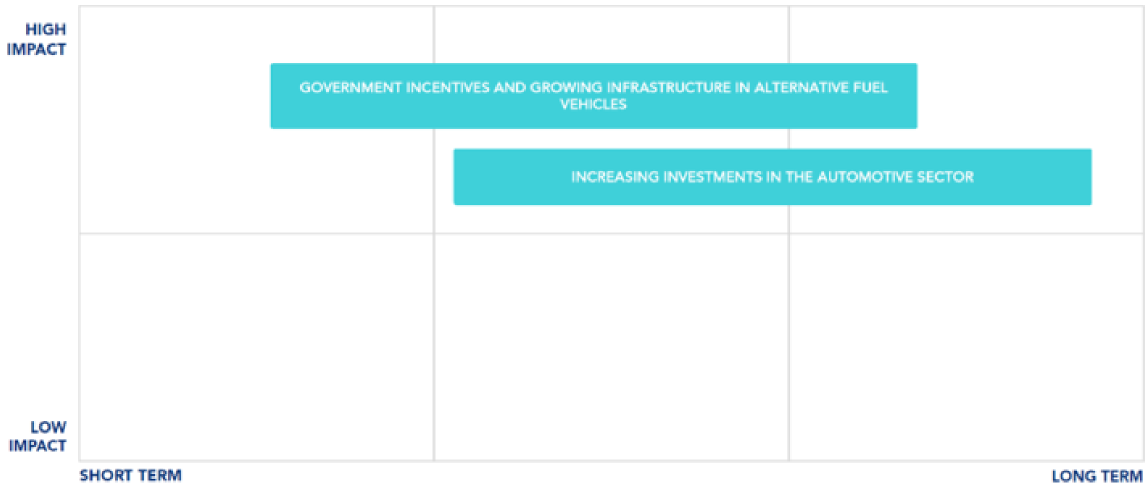
Consequently, buyers in these regions are gravitating toward vehicles with cutting-edge features, intensifying the demand for passenger vehicles. In the US and Europe, consumer preferences are pivotal in shaping the passenger vehicle market. With a rising environmental consciousness, there's a notable uptick in demand for eco-friendly electric and hybrid vehicles.

Moreover, consumers are prioritizing comfort, safety, and convenience features in their vehicle choices. Responding to these evolving preferences, car manufacturers are diversifying their offerings to cater to a broad spectrum of consumer needs, further propelling the demand for passenger vehicles.

Urbanization in the United States and Europe is fueling the demand for passenger vehicles. Expanding cities and growing populations underscore the necessity for personal transportation, especially in bustling urban settings. Moreover, ongoing infrastructure enhancements, including the building of highways, bridges, and tunnels, facilitate longer-distance travel, further amplifying the need for passenger vehicles. With urbanization's momentum, the demand for cars is poised for a substantial upswing soon.

Rising disposable incomes, technological advancements, changing consumer preferences, and urbanization are driving the demand for passenger vehicles in the United States and Europe. As the automotive sector evolves, manufacturers must innovate to align with regional consumer demands. Given the right strategies, a substantial surge in passenger vehicle demand is anticipated in the coming years.

Market Drivers – Passenger Vehicles



Source: Mordor Intelligence

Government incentives and growing infrastructure in alternative fuel vehicles

Growing concerns about environmental sustainability and lowering carbon emissions have led to a significant shift in the past few years toward alternative fuel vehicles in both the US and Europe. Therefore, the demand for passenger cars with alternative fuels has been fueled primarily by government incentives and the development of EV charging infrastructure.

By providing consumers with financial incentives, tax credits, and rebates, government incentives are essential in encouraging the use of alternative fuel vehicles. Consumers can purchase electric vehicles at a lower cost thanks to federal tax credits offered in the United States. Furthermore, a lot of states provide EV owners with extra incentives like rebates, lower registration costs, and access to high-occupancy vehicle lanes. Government subsidies are essential in encouraging people to convert to alternative fuel cars by lowering their costs and increasing their availability.

These subsidies assist in offsetting the higher initial costs associated with buying electric cars and motivate customers to switch to greener modes of transportation.

Internal combustion engines, which are dependent on non-renewable fossil fuels, are replaced by electric motors in electric vehicles (EVs), which can be either fully electric or plug-in hybrid models. As per a study, to meet the climate change mitigation targets set by the US government in the Paris Climate Accords, 90% of cars in the US must be electric by 2050. The climate agreement, which is also signed by 150 other nations, intends to limit climate change and cut carbon emissions.

Demand for electric vehicles increased in North America and Europe because of the agreement, which was followed by governments considering the eventual complete phase-out of fossil fuel-powered vehicles, providing tax credits to automakers and incentives for EV purchases. Considered the most important piece of climate change legislation in US history, the Inflation Reduction Act was signed into law by the Biden-Harris administration in August with the goal of committing to the Paris Agreement and reducing emissions by up to 52% by 2030.

The Act, which established USD 370 billion in federal funding for energy and the environment, aims to increase the production of electric vehicles by providing tax incentives to consumers and automakers alike. To qualify for a federal tax credit of up to USD 7500 on the purchase of a plug-in or hybrid car, an electric vehicle must have automobile batteries manufactured in North America under the IRA.

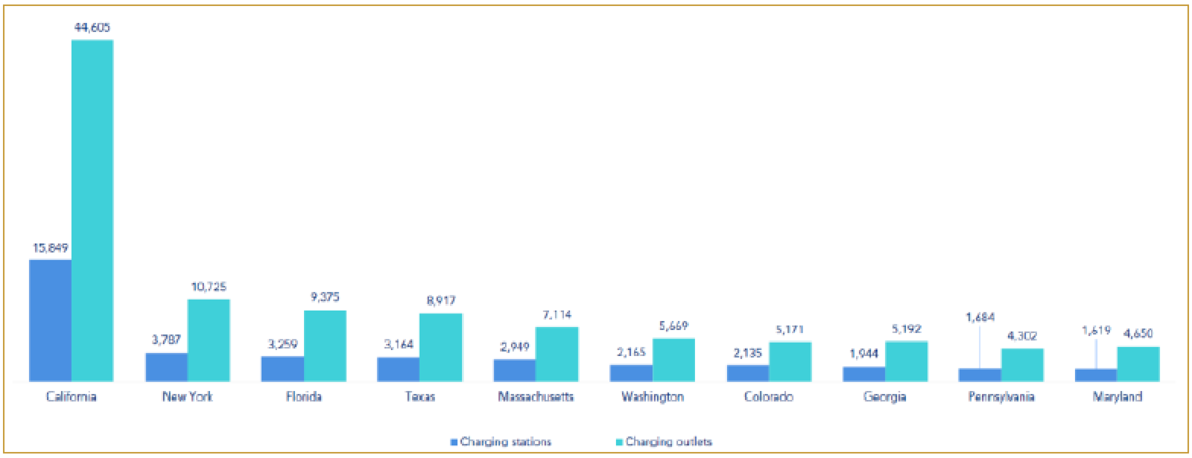
The widespread adoption of electric vehicles is contingent upon the availability of a dependable and comprehensive infrastructure for electric vehicle charging. The construction of EV charging networks has seen substantial funding in recent years in both Europe and the United States. Since public charging stations are now widely accessible in cities, on highways, and at shopping malls, EV owners can now charge their cars while they are on the go with greater convenience.

More people are switching to electric vehicles and reducing consumer range anxiety depends on the expansion of the EV charging infrastructure. EV owners can confidently travel longer distances without worrying about running out of battery power thanks to a robust network of charging stations.

The demand for alternative fuel vehicles in the US and Europe has been greatly impacted by the combination of government incentives and the expansion of EV charging infrastructure. Electric vehicle sales have been rising steadily as more people choose greener and more sustainable modes of transportation. We anticipate a further increase in the demand for electric and other alternative fuel vehicles as the infrastructure develops and incentives become more widely accessible.

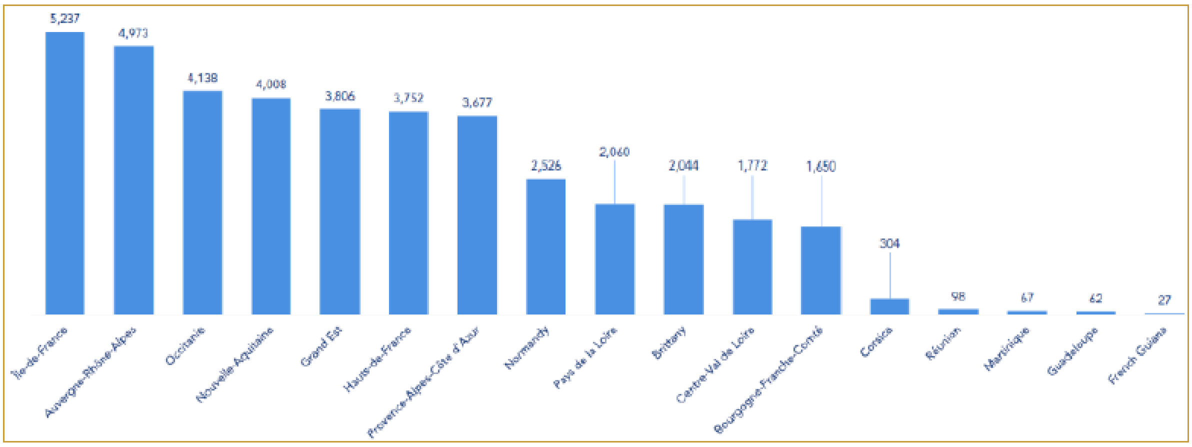
Thus, the demand for alternative fuel vehicles in the US and Europe is largely being driven by government incentives and the construction of EV charging infrastructure. The use of alternative fuel passenger cars is predicted to increase as more people become aware of the advantages electric cars have for the environment and the practicality of charging infrastructure. Government support and infrastructure investment seem to be key components of a cleaner and more sustainable transportation future.

Figure: Leading US states for private and public electric vehicle charging stations and charging outlets as of April 15, 2024



Source: Mordor Intelligence

Figure: Volume of public electric vehicle charging stations in France in 2023, by region



Source: Mordor Intelligence

Increasing investments in the automotive sector

The electric vehicle powertrain sector is currently experiencing a significant surge in investments. As the world shifts toward a greener future, the increased adoption and demand for electric vehicles have opened up abundant opportunities for investment in the powertrain sector. This surge in investments is indicative of the growing confidence in the prospects of EVs and their integral components.

Investors across various sectors are recognizing the potential of EV powertrains by channeling substantial funds into research, development, and manufacturing. These investments aim to enhance the efficiency, range, and performance of electric vehicles alongside minimizing their environmental impact. Additionally, advancements in powertrain technologies have the potential to revolutionize the automotive industry, making them an attractive avenue for investment.

Governments, corporations, and venture capitalists are actively participating in this trend as they recognize the far-reaching benefits of sustainable transportation solutions. Investment forums and platforms are emerging, facilitating the collaboration between innovators and investors, both domestically and globally. Such initiatives help nurture breakthroughs in powertrain development, elevate industry standards, and stimulate economic growth in this sector.

Advancements in lightweight materials, battery technology, electric motors, and power electronics are receiving significant attention and financial backing. This financial backing is crucial for research and development programs to flourish, ultimately leading to the production of more reliable, efficient, and affordable electric cars.

Moreover, the expansion of charging infrastructure and the increasing accessibility of renewable energy sources are coinciding with these investments. This network expansion supports the growth of the EV powertrain sector by addressing concerns about range anxiety and environmental compatibility.

According to recent data, the global expenditure on electric vehicles witnessed a substantial increase of 50% in 2022 compared to the previous year, totaling approximately USD 425 billion.

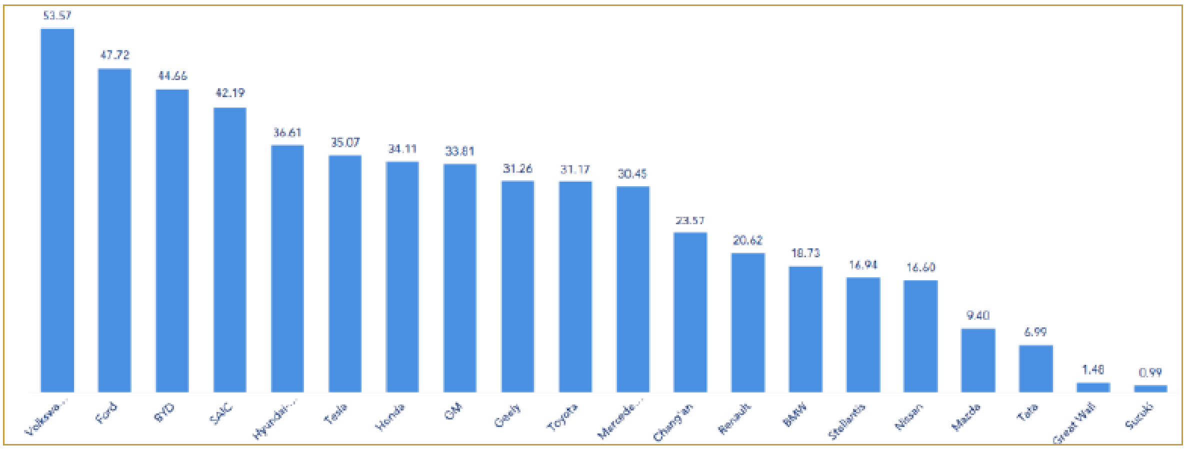
The majority of this expenditure can be attributed to consumer purchases, as they directly invested in acquiring electric cars. Moreover, governmental bodies contributed around USD 40 billion by providing direct purchase incentives to further promote the adoption of electric vehicles.

Several major companies are investing in the electric vehicle powertrain market, owing to the increasing demand from the developed countries, to stay ahead of their competitors. For instance, in March 2023, Nissan introduced an innovative strategy for advancing electrified powertrain development. This forward-thinking approach entails sharing and modularizing the fundamental components of both EV and e-POWER powertrains. Consequently, the company aims to achieve a commendable 30% reduction in development and manufacturing expenses by 2026, in comparison to the corresponding costs incurred back in 2019.

As part of its strategic roadmap, known as Nissan Ambition 2030, the company is determined to enhance its range by introducing 27 new electrified models, including 19 electric vehicles, by Fiscal 2030. Nissan's primary objective is to offer the distinctive benefits of its electrified vehicles to a diverse customer base. This will be achieved by meticulously introducing the most suitable models to each market at the opportune moment.

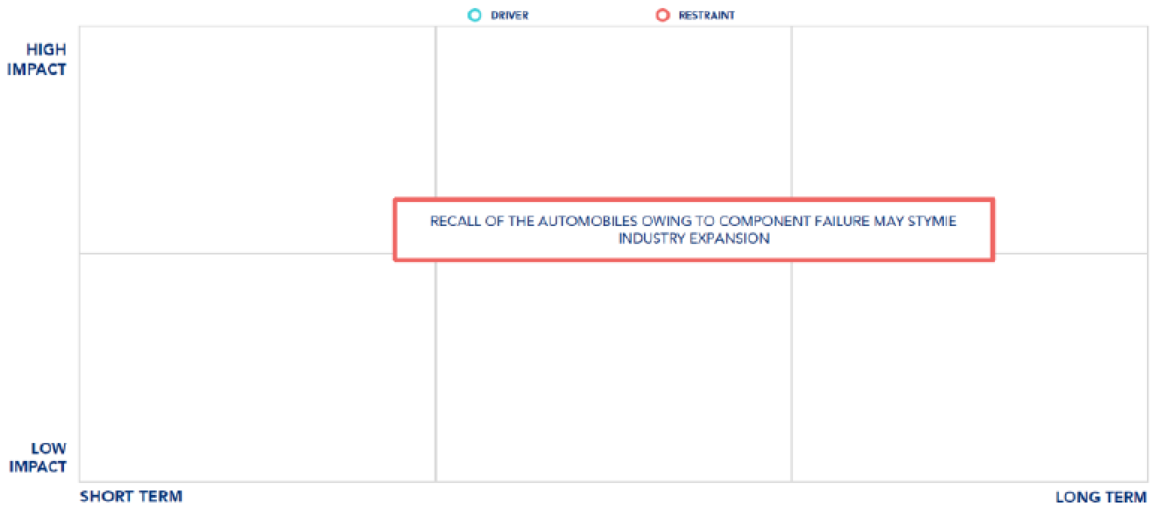
Based on the above-mentioned data, the target market is expected to witness a significant market share during the forecast period.

Figure: Global electric vehicle investment spending in USD billion, by manufacturer, between 2016 and 2022



Source: Mordor Intelligence

Market Restraints - Passenger Vehicle



Recall of the automobiles owing to component failure may stymie industry expansion

The number of recalls for automotive parts has increased in recent years because of component failures. The brand's reputation is not the only thing that is impacted by these recalls; consumer demand for two-wheelers is significantly impacted in both the US and Europe.

Consumers become more concerned about the vehicle's dependability and safety when a recall is issued for a specific automotive component. The demand for two-wheelers may decline because of this loss of trust, which may also cause consumer confidence to decline. When a product has a history of component failures, consumers are reluctant to purchase it for fear of jeopardizing their safety.

Manufacturers bear a heavy financial burden due to recalls, which also undermine consumer trust. The costs of locating the defective parts, fixing or replacing them, and carrying out thorough quality control inspections to avert further problems are the responsibility of the companies. These expenses have the potential to rapidly accumulate and negatively affect the business's total profitability.

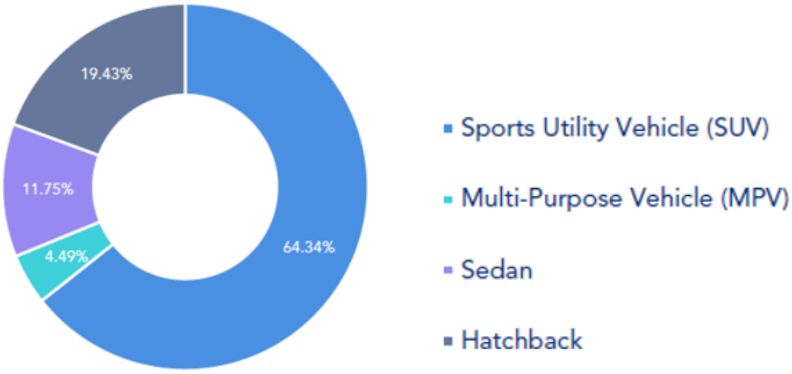
As a result, the demand for two-wheelers in the US and Europe may suffer from the recall of automotive parts that malfunction. Influential factors that shape consumer behavior include recall costs, market dynamics, and consumer confidence.

Quality control and safety protocols must be given top priority by manufacturers in the cutthroat automotive sector if they hope to prevent recalls and preserve the reputation of their brands.

As a result of recall policies, it is essential for OEMs to procure components from reliable auto suppliers with a proven track record and low rejection rates, rather than smaller tier-2 suppliers as their capabilities must align with global standards, an area where organized and large players stand to gain given their experience and advanced manufacturing facilities.

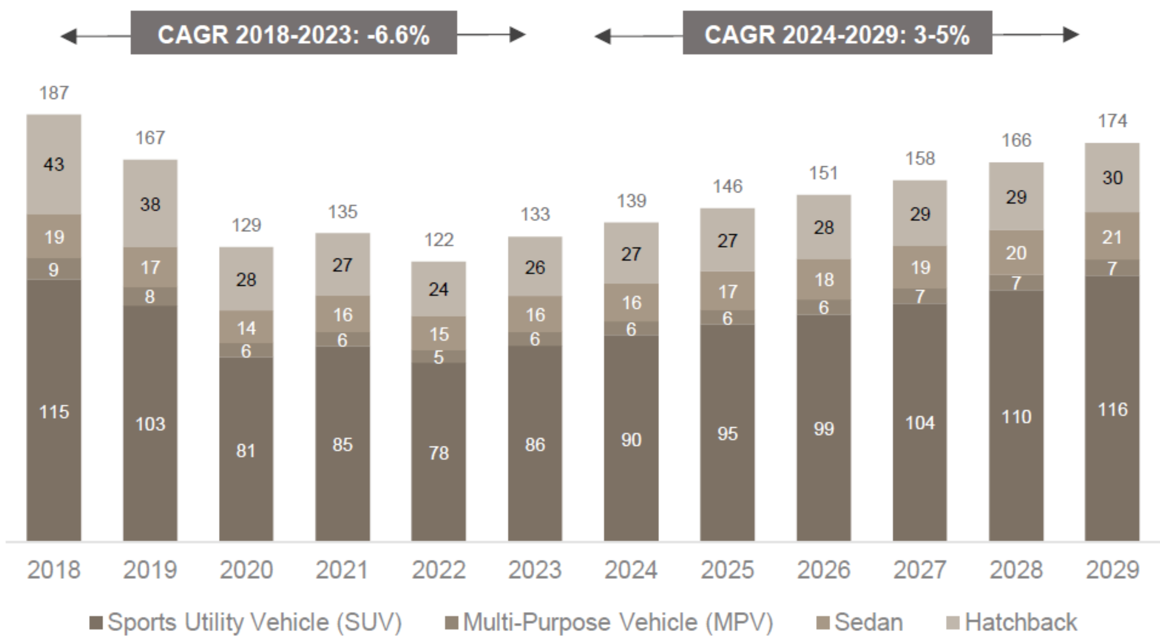
United States: PV Market Overview

Figure: Automotive market, revenue share (%), by vehicle type, United States, 2023



Source: Mordor Intelligence

Figure: United States PV Market, Value in USD Billion, Vehicle Type, 2018 to 2029



Source: Mordor Intelligence

Sports Utility Vehicle

The sports utility vehicle ("**SUV**") segment accounted for USD 85.70 billion in 2023, and it is expected to reach USD 116.25 billion by 2029, projecting a CAGR of 5% to 7 % during the forecast period of 2024 to 2029. This growth trend has persisted despite concerns over fuel efficiency and environmental impact, driven by consumer preferences for larger vehicles, perceived safety benefits, and improved fuel economy in modern SUV models.

The rise of electric vehicles has permeated the SUV market, with an increasing array of electric SUV options becoming available. These vehicles are particularly attractive due to their enhanced fuel efficiency and zero-emission status.

In 2022, California implemented the Advanced Clean Cars II Regulation, a ZEV regulation mandating a 100% EV share of LDV sales by 2035, with at most 20% being plug-in hybrid electric vehicles. This regulation has since been adopted by several other states, including Maryland, Massachusetts, New Jersey, New York, Oregon, Rhode Island, Vermont, Virginia, and Washington. Colorado and New Mexico have adopted it through 2032, while Connecticut and Maine are considering adopting it.

Leading automakers are investing in autonomous driving technology, with plans to introduce self-driving SUVs, which are well-suited to the technology due to their size and stability.

In June 2024, Kia commenced production of the all-electric 2025 EV9 three-row SUV at its plant in West Point, Georgia. The USD 200 million plant expansion supports both EV and traditional vehicle assembly, marking the EV9 as the first EV produced in Georgia.

In May 2024, Rivian announced that it secured an incentive package worth USD 827 million from the State of Illinois to expand its facilities and produce the upcoming R2 electric SUV. The expansion in Normal, Illinois, involves a USD 1.5 billion investment and the addition of at least 550 jobs over the next five years.

The SUV market faces challenges, including potential regulatory changes aimed at improving fuel efficiency and reducing emissions. The Biden administration's proposed fuel economy standards for the 2027-2032 model years could significantly impact SUV design and pricing. Additionally, rising raw material costs and supply chain disruptions continue to affect production and pricing strategies across the industry.

Multi-Purpose Vehicle

The multi-purpose vehicle ("**MPV**") segment accounted for USD 5.98 billion in 2023, and it is expected to reach USD 7.08 billion by 2029, projecting a CAGR of 2% to 4% during the forecast period, 2024 to 2029.

Technological integration, such as smart cockpits featuring advanced interaction systems (voice, gesture, and biometric recognition), has become a significant selling point for MPVs. These features, coupled with the push toward autonomous driving technology, are making MPVs increasingly attractive to tech-savvy consumers, especially younger demographics seeking multifunctional vehicles for both family and professional use.

Key players in the US MPV market include Chrysler, Honda, Toyota, and Kia. As of 2023, the prominent models include the Chrysler Pacifica, Honda Odyssey, Toyota Sienna, and Kia Carnival. The limited number of competitors has allowed these brands to maintain relatively stable market positions, with each focusing on unique selling propositions to attract consumers.

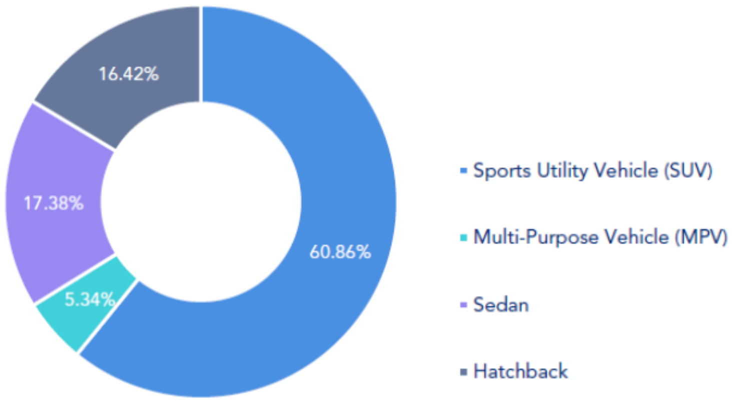
A significant trend reshaping the MPV segment is the shift toward electrification. The government supports in terms of financial and non-financial incentives is supporting the market. For instance, in 2023, the USA EPA proposed Multipollutant Standards for light-duty vehicles with ZEV projections as phaseout goals, including new ZEV sales targets of 36% in 2027, 45% in 2028, 55% in 2029, 60% in 2030, 63% in 2031, and 67% in 2032 for passenger cars and light commercial vehicles.

OEMs are also launching new electric variants to cater to this niche market. For instance, in June 2024, Kia America announced the refreshed 2025 Carnival MPV, featuring a bolder design and next-gen technology, including an optional turbo-hybrid powertrain for USD 2,000 on four of its five trims. The new Carnival Hybrid starts at USD 40,500 and includes a 1.6-liter turbo-hybrid engine with a combined output of 242 hp and 271 lb-ft of torque. The Carnival also boasts updated Advanced Driver Assistance Systems and the new Connected Car Navigation Cockpit ("**ccNC**") operating system with over-the-air updates.

The MPV segment faces several challenges, including changing consumer preferences and the need for significant investment in electrification. However, it also presents opportunities, particularly in targeting specific consumer groups such as large families, ride-sharing services, and commercial fleet operators. The segment's practicality, spacious interiors, and advanced safety features continue to be strong selling points.

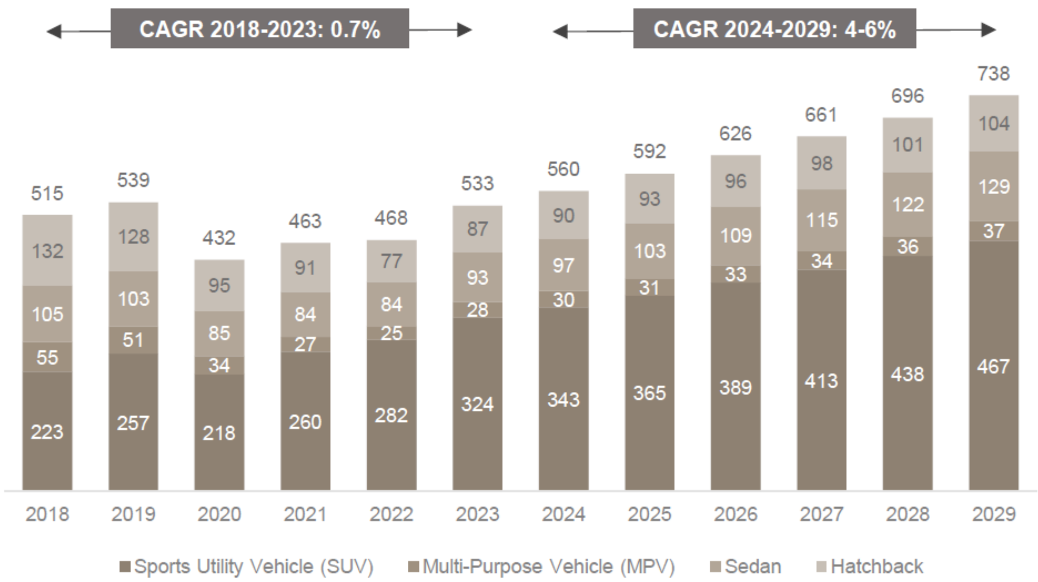
Europe: PV Market Overview

Figure: Europe PV market, revenue share (%), by vehicle type, 2023



Source: Mordor Intelligence

Figure: Europe PV Market, Value in USD Billion, Vehicle Type, 2018 to 2029



Source: Mordor Intelligence

Sports Utility Vehicle

The SUV segment accounted for USD 324.17 billion in 2023, and it is expected to reach USD 467.27 billion by 2029, projecting a CAGR between 6% to 8% during the forecast period 2024 to 2029.

While the overall European car market saw modest growth in recent years, the SUV segment outpaced many others, showing a strong consumer preference shift towards these vehicles. The growth is supported by both the introduction of new models and the increasing shift towards electric SUVs, reflecting wider environmental and sustainability trends.

The SUV market in Europe is highly competitive, with a mix of European, Asian, and American brands vying for market share. As of 2023, the top-selling SUV brands in Europe were Volkswagen, Peugeot, Renault, BMW, and Hyundai. Notably, the compact and small SUV sub-segments have shown the strongest growth, aligning with European preferences for more compact vehicles.

A significant trend reshaping the European SUV market is the rapid electrification of offerings. This shift is driven by stringent EU emissions regulations, government incentives, and increasing consumer acceptance of electric vehicles. The European Union Proposed CO_2 Emission Performance Standards for Cars and Vans (Fit for 55) - GHG, proposed in 2021, aims to achieve a 100% reduction in fleet-level emissions for passenger cars and vans by 2035, using 2021 as the base year. Intermediate targets include a 15% reduction by 2025 and a 55% reduction by 2030 from the base year. The baseline emissions value for 2021 is 115 gCO2/km for passenger cars and 176 gCO2/km for light commercial vehicles, with assessments based on the Worldwide Harmonized Light Vehicles Test Procedure. This standard target passenger cars and light commercial vehicles, excluding buses, medium-duty trucks, and heavy-duty trucks.

The SUV segment faces challenges, including potential regulatory changes aimed at improving urban air quality and reducing CO2 emissions. The European Commission's proposal to implement Euro 7 emissions standards by 2025 could significantly impact SUV design and pricing. Additionally, some European cities are considering restrictions on larger vehicles in urban centers, which could affect SUV sales in certain markets.

Multi-Purpose Vehicle

The MPV segment accounted for USD 28.43 billion in 2023, and it is expected to reach USD 37.43 billion by 2029, projecting a CAGR of 4% to 6% during the forecast period 2024 to 2029.

The MPV segment in Europe has undergone significant changes over the past decade, transitioning from a popular family vehicle choice to a niche market as consumer preferences have shifted toward SUVs and crossovers. Despite this overall trend, MPVs continue to maintain a dedicated following in certain European markets.

Key players in the European MPV market include Volkswagen, Renault, Citroën, Ford, and Dacia. The limited number of competitors has allowed these brands to maintain relatively stable market positions, with each focusing on unique selling propositions to attract consumers.

A significant trend reshaping the MPV segment is the shift towards electrification and hybridization. In Q4 2023, electrified MPVs (including full electric, plug-in hybrid, and full hybrid) accounted for 32.7% of all MPV sales in Europe, up from 25.5% in the same period of 2022. This shift is driven by EU emissions regulations and increasing consumer demand for more fuel-efficient family vehicles.

Country-level analysis reveals significant variations in MPV popularity across Europe. France remains the largest market for MPVs in 2023, followed by Germany, Italy, Spain, and the Netherlands. The French market's continued strong performance is attributed to domestic brands' strong offerings and cultural preferences for practical family vehicles. In contrast, the UK has seen a sharp decline in MPV sales, with the segment accounting for just 2.5% of new car registrations in 2023, down from 4.8% in 2020. Eastern European markets, particularly Poland and Romania, have shown growing interest in budget-friendly MPV models.

The MPV segment faces challenges, including changing consumer preferences and the need for significant investment in electrification. However, it also presents opportunities, particularly in targeting specific consumer groups such as large families, ride-sharing services, and commercial fleet operators. The segment's practicality, spacious interiors, and advanced safety features continue to be strong selling points.

Overview of the US and EU CV industry (2018 to 2029)

The commercial vehicle market was valued at USD 592.84 billion in 2023 and is expected to reach USD 829.20 billion by 2029, witnessing a CAGR of 6% to 8% during the forecast period.

Over recent years, the demand for commercial vehicles in the United States and Europe has surged. While several factors contribute to this uptrend, one pivotal driver stands out: the escalating need for efficient transportation and logistics services.

With the boom of e-commerce, businesses are increasingly seeking dependable and economical means to move goods. Consequently, there's a heightened demand for commercial vehicles that offer the requisite speed, reliability, and affordability.

The rising demand for efficient transportation services is significantly boosting the need for commercial vehicles in the United States and Europe. Companies seek vehicles that streamline operations, cut delivery times, and slash transportation costs. Consequently, there's a marked uptick in the demand for fuel-efficient, technologically advanced commercial vehicles that can handle substantial cargo volumes.

Rising investments in the construction sector, enhancement in infrastructure development, and the government's initiative to improve road transportation facilities serve as major determinants for the growth of the truck segment in the countries, owing to their wide range of applications, such as bulk load transportation and long-haul distribution.

Trucks are extensively used in the construction sector to transport materials from one place to another.

The e-commerce industry has experienced considerable growth in the last decade, leading to a shift in consumer behaviour from physical stores to online shopping. Consequently, there has been an upsurge in the demand for shipping services. This trend not only affects the retail sector but also has a significant impact on the trucking industry, which we refer to as the substantial e-commerce impact. The emergence and growth of e-commerce has necessitated the development of swift and efficient delivery solutions. Trucks play a pivotal role in this process, facilitating the transportation of goods from distribution centers to warehouses and ultimately reaching the consumers' doorsteps. Consequently, trucking companies have had to adapt their operations to meet the increasing demands of e-commerce retailers.

Thus, the rising demand for commercial vehicles in the United States and Europe is primarily driven by the imperative for efficient transportation services. Companies seek vehicles that can keep pace with a dynamic market, prompting manufacturers to innovate and fuel further growth. With businesses adjusting to the industry's shifts, the demand for commercial vehicles is poised to sustain its vigor in the foreseeable future.

Market Drivers - Commercial Vehicle

Source: Mordor Intelligence

Increased demand for public transportation to fuel demand for buses

The need for public transportation has grown significantly in the last few years in both Europe and the United States. There are several reasons for this increase in demand, such as urbanization, population growth, and a growing emphasis on sustainability and lowering carbon emissions. There will likely be an increase in demand for public transportation buses as more people explore eco-friendly modes of transportation.

Additionally, urban population growth is the primary cause of the spike in demand for public transportation buses. The number of people residing in urban areas has increased the demand for dependable and effective public transportation systems. People can travel around in style and economy with buses, especially in places where owning a car may not be practical or feasible. Furthermore, putting money into public transportation infrastructure, including buses, has taken precedence as cities try to lower air pollution and traffic jams. For instance, according to the World Bank, the level of urbanization in the DACH nations between 2013 and 2023. Germany, Austria, and Switzerland are all part of the DACH area. The%age of the total population living in urban areas is known as urbanization. 59.53% of Austria's total population resided in cities as of 2023.

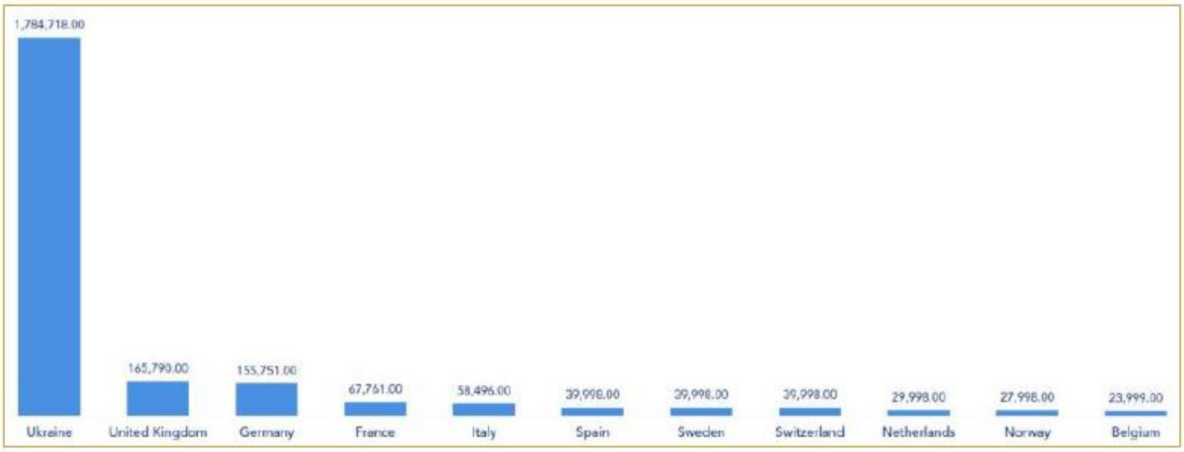
After the severe disruptions of 2022, migration in Europe in 2023 represents a return to normalcy. Ukraine has the largest positive net migration balance in 2023 despite having the largest negative net migration balance in 2022 due to nearly 7 million of its citizens leaving the country after Russia invaded it. Since Poland, Romania, and Hungary were important recipient countries for Ukrainians in 2022, over 175 million Ukrainians have returned home from abroad, resulting in significant net migration deficits in these three countries. Western European nations like Germany, the UK, France, Italy, and Spain continue to be popular migration destinations, accounting for the other countries with significant positive net migration balances in 2023.

Additionally, the need for buses for public transportation encourages spending on technology and infrastructure. Buses with the newest safety features, low emissions, and energy efficiency are what transit agencies are searching for. This implies that in order to satisfy the shifting needs of the market, producers must continuously innovate and enhance their goods. As a result, research and development in the commercial vehicle sector are boosted, resulting in the development of more sophisticated and environmentally friendly bus models.

Moreover, the rising demand for public transportation buses is largely driven by government policies and incentives. Subsidies and grants are widely available from cities and regions to promote the use of greener and more effective transportation. Governments contribute to the expansion of the commercial vehicle market by investing in the development of public transportation infrastructure and the purchase of buses. Additionally, the promotion of sustainable transportation options and the reduction of greenhouse gas emissions are becoming priorities for policymakers. Stricter emissions standards and laws have resulted from this, which in turn has increased demand for environmentally friendly buses. Producers of buses that adhere to these rules are in a good position to take advantage of the expanding market opportunities in the public transportation industry.

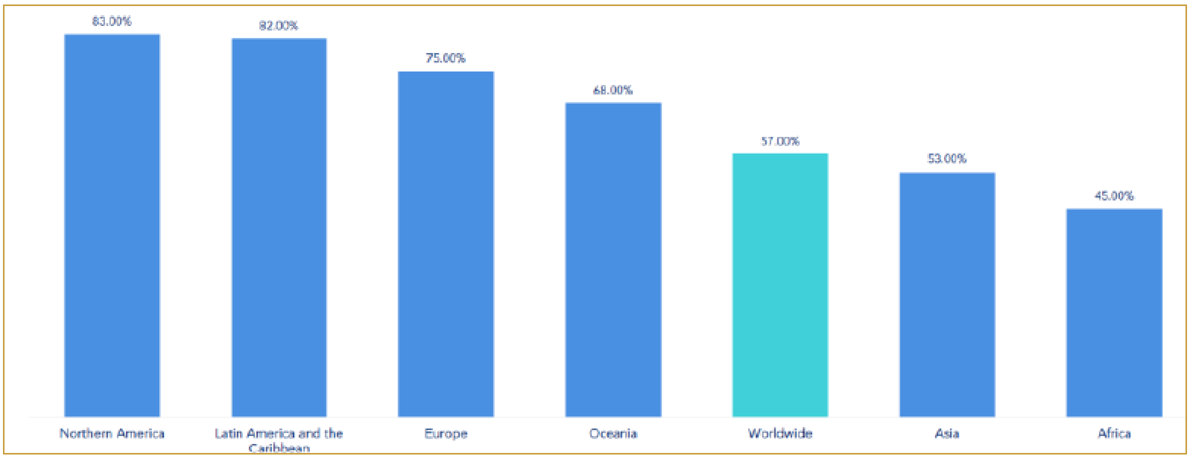
Thus, the growing need for public transportation buses in the US and Europe is a trend that is advantageous to the commercial vehicle industry as well as commuters. Bus manufacturers and suppliers can grow their businesses and stimulate market innovation as more people choose buses as their preferred mode of transportation. Companies can adapt to changing transit agency needs and help ensure a more sustainable urban mobility future by investing in cleaner and more efficient bus technologies.

Figure: Estimated net migration figures in some of the Europe countries, 2023, by country, number of migrants



Source: Mordor Intelligence

Figure: Share of urban population worldwide in 2023, by continent



Source: Mordor Intelligence

Growth in e-commerce and logistics to fuel market demand

In recent years, the e-commerce industry has experienced exponential growth, with more and more consumers turning to online shopping for convenience and variety. This surge in online retail activity has had a direct impact on the logistics sector as companies strive to meet the increasing demand for fast and efficient delivery services. As a result, the demand for commercial trucks has also seen a significant rise, especially in the United States and Europe. E-commerce giants like Amazon and Alibaba have made effective logistics and transportation systems more important than ever. E-commerce enterprises depend on an extensive system of warehouses, distribution hubs, and delivery trucks to guarantee that goods are delivered to clients on schedule. Due to the needs of online retail, there has been a sharp increase in demand for commercial trucks, which are necessary for transporting goods from distribution centres to final destinations. E-commerce companies, in contrast to conventional brick-and-mortar stores, are global in scope, receiving orders from all over the world. This implies that goods must be transported over great distances, frequently necessitating the use of specialized transportation services. Commercial trucks are ideal for this kind of work because they have the adaptability and capacity required to move a large range of items quickly.

Logistics firms must contend with the growing challenge of satisfying customers' demands for prompt and dependable delivery as e-commerce expands. Logistics companies are under pressure to streamline operations by optimizing their supply chains and implementing cutting-edge technologies. Among these technologies is the use of autonomous and electric trucks, which are gaining traction in the logistics industry.

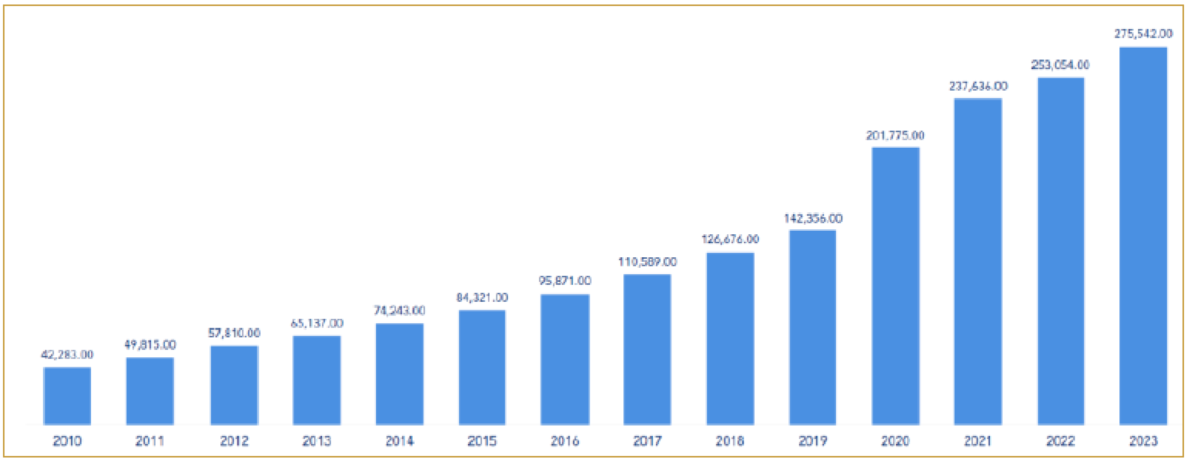
For logistics companies, electric trucks present a more economical and environmentally friendly option than conventional diesel vehicles, lowering operating expenses and emissions. Conversely, autonomous trucks are perfect for long-distance deliveries because they are outfitted with cutting-edge technology that enables them to function without the need for human intervention. When taken as a whole, these developments are assisting logistics firms in satisfying the escalating need for effective transportation solutions in the age of e-commerce.

One significant trend is the move toward more environmentally friendly and sustainable modes of transportation as businesses look to cut back on their carbon emissions and adhere to tighter environmental rules. The adoption of telematics and digital technologies, which allow businesses to monitor and improve fleet operations in real time, is another trend. These developments will probably have an impact on the commercial truck market in both areas in the future as businesses work to adjust to the shifting dynamics of the logistics and e-commerce sectors. In April 2024, as one of the biggest producers of trucks in the United States across several business units and geographical areas, including North Carolina, South Carolina, Arizona, Ohio, Michigan, and Saltillo, Mexico, Daimler Truck North America LLC (DTNA) is increasing the use of electric trucks for logistics operations to transport parts to manufacturing facilities and parts distribution centres. Starting in December 2023, DTNA began integrating Daimler Truck Mexico's truck manufacturing plant in Santiago in January 2024, as well as Freightliner eCascadia battery electric semi-trucks, which were introduced in 2022, into their logistics operation in the Pacific Northwest. DTNA plans to start using its electric box trucks, the Freightliner eM2, which were first made available to customers last year, for short-haul operations.

To serve its manufacturing facilities and PDCs within a 250-mile radius that is strategically aligned with its supplier landscape, DTNA employs a comprehensive strategy to expand electrification within its own regional logistics networks. By functioning within these networks, DTNA can maximize multi-stop schedules and truck capacity, thereby unlocking logistics efficiency.

In conclusion, the need for commercial trucks in the US and Europe is being driven by the expansion of e-commerce and logistics. To meet customer expectations, effective transportation solutions will be necessary as online retail grows. In this dynamic and rapidly evolving industry, logistics companies can achieve success by adopting innovative technologies and sustainable practices.

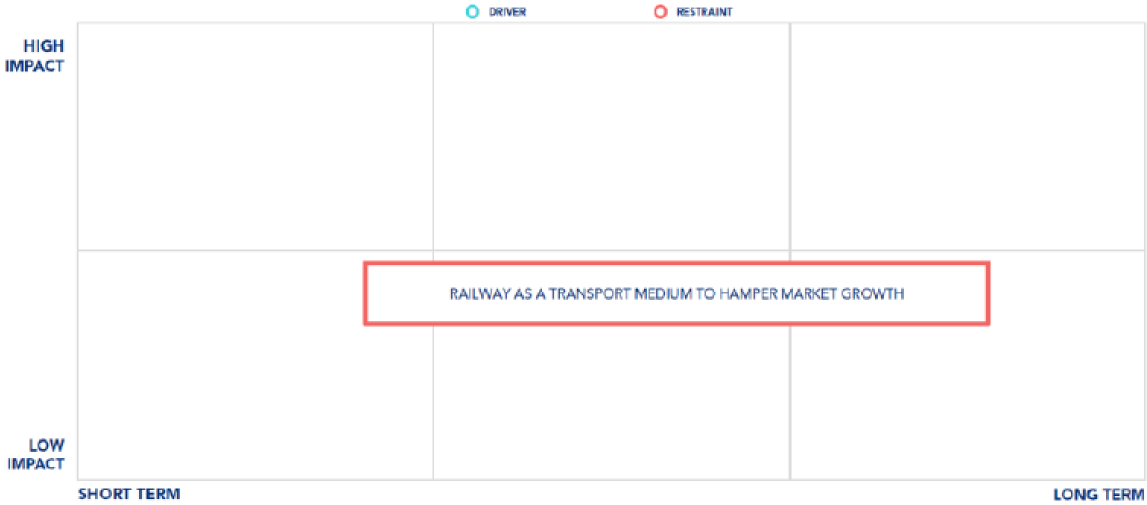
Figure: Retail e-commerce sales in USD million, United States, from 2015 to 2023



Source: Mordor Intelligence

Market Restraints - Commercial Vehicle

Figure: Market Restraints - Commercial Vehicle



Source: Mordor Intelligence

Railway as a transport medium to hamper market growth

Change toward more environmentally friendly and sustainable means of transporting goods has been observed in the transportation sector in recent years. As a result of developments in infrastructure and technology, railways are now a well-liked mode of transportation that helps businesses cut costs while also lowering carbon emissions.

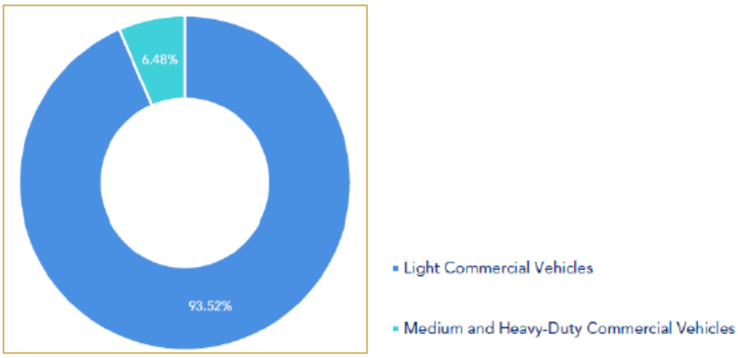
For companies wishing to move goods across large distances, rail transport is an affordable solution. Railway transportation is more cost-effective in terms of fuel and maintenance than truck transportation. Furthermore, rail freight rates are frequently more consistent than trucking rates, giving businesses a predictable cost of transportation.

Additionally, rail transportation has a minimal environmental impact, which is another major advantage. If a company wants to lessen its carbon footprint, trains are a more environmentally friendly option than trucks because they are known to emit fewer greenhouse gases per ton-mile. When businesses choose rail transportation, they show their dedication to sustainability and support environmental conservation initiatives.

In the US and Europe, the market demand for commercial trucks is being challenged by the growing economy and cost-effectiveness of railroads. The need for trucks for intercity deliveries may decrease as more companies choose rail transportation for long-distance shipping. Some areas may see a decline in the need for commercial trucks because of this change in transportation preferences.

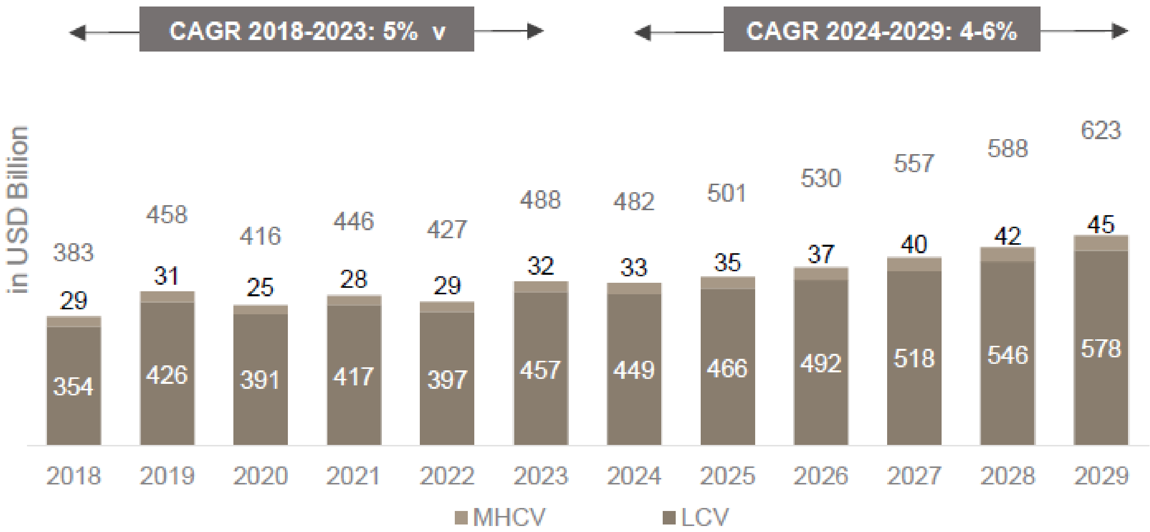
Thus, the emergence of railroads as a mode of transportation is changing the transportation sector and affecting the demand for commercial trucks in the US and Europe. For companies trying to maximize their supply chain operations, rail transport presents a strong alternative to trucking due to its effectiveness, affordability, and environmental advantages. Trucking companies need to be innovative and adaptable as the industry changes to meet the needs of their customers and stay competitive.

United States: CV Market Overview



Source: Mordor Intelligence

Figure: United States Commercial Vehicles market, Value in USD Billion, Vehicle Type, 2018 to 2029



Source: Mordor Intelligence

Light Commercial Vehicles

The light commercial vehicles segment accounted for USD 456.53 billion in 2023, and it is expected to reach USD 578.18 billion by 2029, projecting a CAGR of 4% to 6% during the forecast period, 2024 to 2029.

The expansion of the LCV market is closely linked to the rapid growth of e-commerce and online retail, which necessitates efficient distribution networks to facilitate timely deliveries. The COVID-19 pandemic has significantly accelerated this trend, leading to an increased reliance on light commercial vehicles for logistics and consumer delivery services. Vehicles like pick-up trucks and vans are crucial for fulfilling the logistical requirements of the booming e-commerce industry.

The LCV market in the United States is dominated by domestic manufacturers, with Ford, General Motors (Chevrolet and GMC), and Stellantis (Ram) holding the lion's share. The Ford F-Series has maintained its position as the best-selling vehicle in America for over four decades, underscoring the significance of pickup trucks in the LCV segment.

The United States has implemented stringent emissions standards for light-duty vehicles to reduce greenhouse gas emissions: The United States EPA Revised 2023 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions Standards, adopted in 2021, targets reducing fleet-level emissions for passenger cars and light trucks by

28% between 2022 and 2026, with annual targets. The baseline value for passenger cars in 2022 is 181 gCO2/mile, and for light trucks, it is 261 gCO2/mile. The test procedure used is the Corporate Average Fuel Economy standard. This policy is applicable to passenger cars and light commercial vehicles but not to buses, medium-duty trucks, or heavy-duty trucks.

The United States EPA Multipollutant Standards for LDVs, proposed in 2023, aim to reduce emissions by 56% for light-duty vehicles and 44% for Class 2b_3 vehicles by 2032, with the base year being 2026. The test procedure adopted is the Corporate Average Fuel Economy standard. This policy applies to passenger cars and light commercial vehicles but does not extend to buses, medium-duty trucks, or heavy-duty trucks.

As these standards take effect, they are likely to drive innovation in vehicle technology, encourage the adoption of more fuel-efficient and electric vehicles, and contribute significantly to the nation's efforts to combat climate change.

Medium and heavy-duty commercial vehicles

The medium and heavy-duty commercial vehicles segment accounted for USD 31.65 billion in 2023, and it is expected to reach USD 44.80 billion by 2029, projecting a CAGR of 9% to 11% during the forecast period.

The MHDCV market is heavily influenced by economic activities, infrastructure development, and regulatory standards. Key factors driving growth include the increasing demand for freight transport driven by economic growth and the expansion of the e-commerce sector. Furthermore, stringent emission regulations are pushing the industry toward more efficient and environmentally friendly vehicles

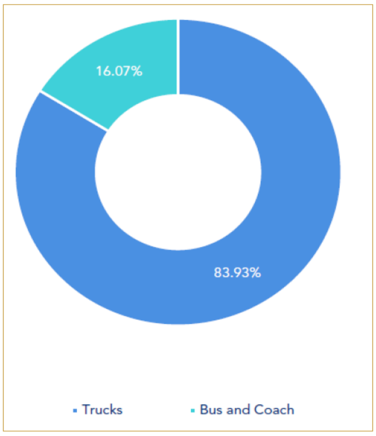
The market is dominated by a few key players, with Daimler Trucks North America (Freightliner, Western Star), PACCAR (Kenworth, Peterbilt), Volvo Group (Volvo, Mack), and Navistar (International) holding significant market shares.

A major trend reshaping the segment is the push toward alternative powertrains, particularly battery-electric and hydrogen fuel cell technologies. In 2023, zero-emission trucks accounted for 2.1% of new Class 4-8 truck sales, up from 1.3% in 2022. This shift is driven by stringent emissions regulations, corporate sustainability goals, and potential long-term cost savings. The United States EPA Phase III GHG Standards for HDV, proposed in 2023, outline a reduction range of 15% to 53% from model year 2027 by MY 2032 for vocational vehicles, a 27% reduction for non-trailer trucks, and a 15% reduction for tractor trailers. This proposal targets buses, medium-duty trucks, and heavy-duty trucks, aiming to significantly cut emissions across various heavy-duty vehicle categories.

In recent years, the industry players have focused on cleaner technologies. In January 2024, Daimler Trucks North America announced plans to begin series production of its battery-electric Freightliner eCascadia long-haul truck, with deliveries starting in third quarter of 2024. Meanwhile, in May 2024, Nikola Corporation revealed a significant order for 100 hydrogen fuel cell electric trucks from AiLO, signaling a growing interest in this technology.

However, the sector faces challenges such as fluctuating fuel prices and the need for significant capital investment in new technologies. The impending adoption of stricter emission standards by 2027 is expected to spur a wave of fleet renewals and replacements, further invigorating the market.

Figure: Automotive market, Revenue share (%), Medium and Heavy-duty Commercial Vehicles, United States, 2023



Source: Mordor Intelligence

Trucks

The trucks segment accounted for USD 26.56 billion in 2023, and it is expected to reach USD 37.49 billion by 2029, projecting a CAGR of 5% to 7% during the forecast period.

Several factors drive the truck market, including the rise in e-commerce and the increasing need for last-mile delivery solutions. This has heightened demand for rental services and flexible transportation solutions, making trucks indispensable for modern logistics. The market is also influenced by economic indicators such as interest rates and inflation, which affect purchasing and investment decisions within the sector.

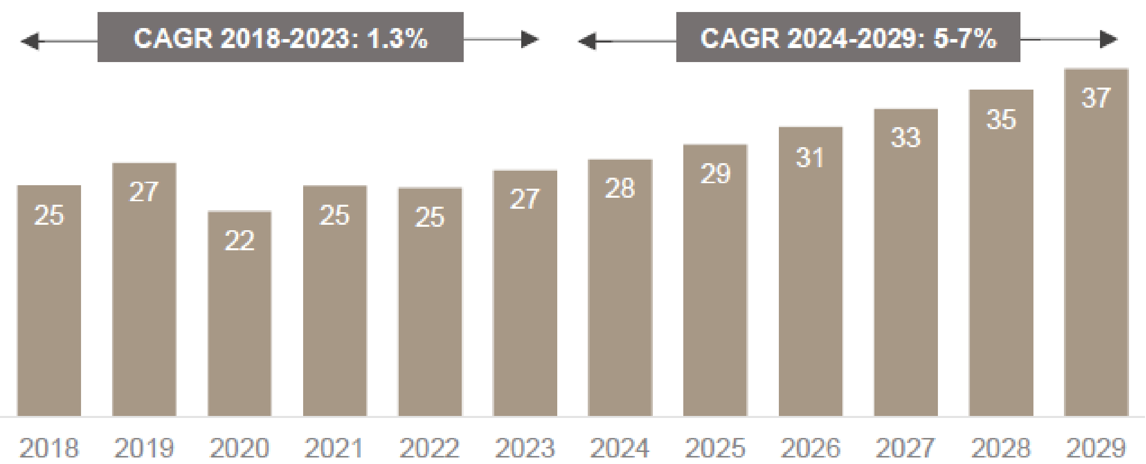
There is a significant push toward adopting cleaner and more efficient technologies in trucks. Innovations in diesel technology have improved emissions profiles, while the electrification of the fleet is gradually taking shape, driven by environmental regulations and sustainability goals. Upcoming emissions standards set for 2027 are expected to stimulate a wave of new purchases as fleets update to comply with stricter regulations. The California Advanced Clean Trucks Regulation, adopted in 2021, enforces a ZEV regulation mandating a 55% ZEV share of Class 2b-3 sales, a 40% ZEV share of Class 7-8 tractor sales, and a 75% ZEV share of Class 4-6 and Class 7-8 sales (except tractors) by 2035. This policy has been adopted by multiple states, reflecting a collective move toward cleaner commercial transportation in the US.

Innovation in the truck segment is focusing on improving fuel efficiency, reducing emissions, enhancing safety, and advancing connectivity and autonomous capabilities. For example, Volvo Trucks introduced its new VNL series in January 2024, featuring a 15% improvement in fuel efficiency over the previous model, advanced driver assistance systems, and over-the-air update capabilities.

The market is competitively dense, with major players like Volvo Trucks, Daimler Trucks, and PACCAR Inc. leading the way. These companies are not only focusing on expanding their market share through technological advancements but also forming strategic alliances to enhance their service offerings and infrastructure for electric trucks, reflecting a strong focus on sustainability and innovation.

The truck segment faces several challenges, including a persistent driver shortage, fluctuating fuel prices, and the need for substantial investment in new technologies and infrastructure. The American Trucking Association reported a shortage of 78,000 drivers in 2023, with projections suggesting this could exceed 160,000 by 2028 if current trends continue.

Figure: Automotive market, revenue in USD billion, trucks, United states, 2018 to 2029



Source: Mordor Intelligence

Bus and Coach

The bus and coach segment accounted for USD 5.09 billion in 2023, and it is expected to reach USD 7.32 billion by 2029, projecting a CAGR of 6% to 8% during the forecast period, 2024 to 2029.

The bus segment within the US medium and heavy-duty commercial vehicles market has been undergoing significant transformation, influenced by technological advancements and regulatory changes. The demand for buses is particularly sensitive to public sector investment and regulatory frameworks aimed at reducing emissions and improving urban mobility. Following a period of softened demand due to pandemic-related impacts, the market is expected to rebound as new emissions standards set to take effect in 2027 stimulate fleet renewals and technological upgrades.

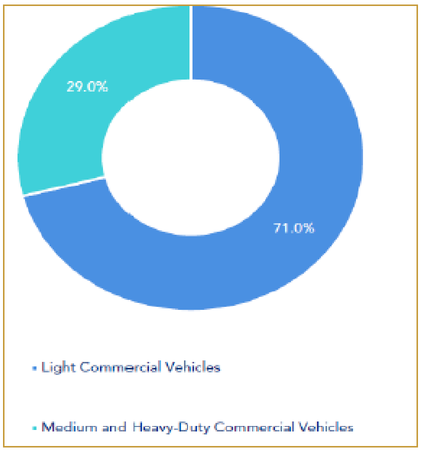
Electrification is a key trend within the bus segment, driven by increasing environmental concerns and government initiatives promoting zero-emission public transportation solutions. This shift is supported by substantial public sector funding, which has been critical in facilitating the transition from traditional diesel-powered buses to electric and hybrid models. The market is seeing a growing adoption of battery-electric buses and hydrogen fuel cell buses, particularly in urban areas focused on cutting carbon emissions and enhancing sustainable transport solutions. In 2023, the United States Environmental Protection Agency introduced the Phase III Greenhouse Gas Standards for Heavy-Duty Vehicles, which outlined proposed targets for zero-emission vehicle sales. The key projections were: 50% of new vocational vehicles and buses sold in 2032 must be ZEVs, with an initial target of 20% in 2027; 35% of new short-haul tractors sold in 2032 must be ZEVs, with an initial target of 10% in 2027; and 25% of new long-haul tractors sold in 2032 must be ZEVs, with a first intermediate target of 10% in 2030.

In 2019, California implemented the Innovative Clean Transit regulation, a ZEV fleet rule mandating a 100% zero emission vehicle share of the transit bus stock by 2040 and a 100% ZEV share of transit bus sales by 2029. Large transit agencies must achieve a 25% ZEV share of transit bus sales by 2023 and 50% by 2026, while small transit agencies must achieve 25% by 2026.

While the transition to electric buses presents numerous environmental and operational benefits, it also poses challenges related to infrastructure development, such as charging stations and maintenance facilities. Additionally, the high initial cost of electric buses compared to traditional diesel buses remains a significant barrier.

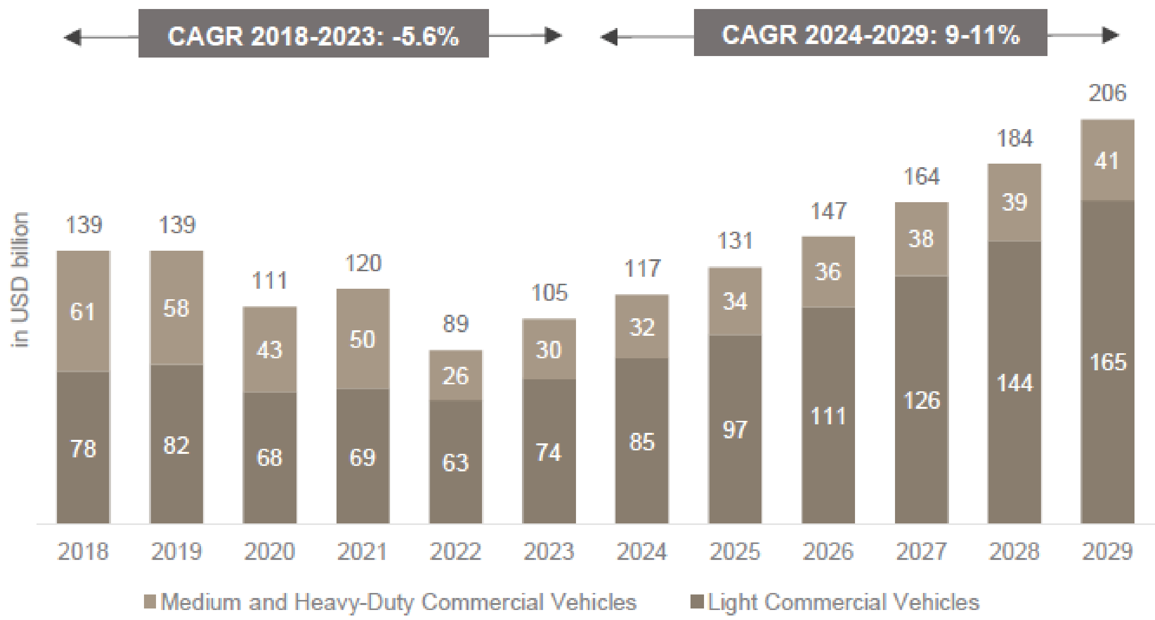
Europe: CV Market overview

Figure: Europe - Revenue share (%), of commercial vehicles, 2023



Source: Mordor Intelligence

Figure: Europe Commercial Vehicle market, revenue in USD billion, by vehicle type, 2018 to 2029



Source: Mordor Intelligence

Light Commercial Vehicles

The light commercial vehicles segment accounted for USD 74.27 billion in 2023, and it is expected to reach USD 165.06 billion by 2029, projecting a CAGR of 13% to 15% during the forecast period 2024 to 2029. The growth of the LCV market in Europe is driven by several factors, including the expansion of e-commerce, increased demand for delivery and logistics services, and heightened infrastructure investments. These factors are compelling businesses to invest in efficient and versatile commercial vehicles to meet their logistics needs. Additionally, the market is experiencing a shift towards electric and hybrid vehicles, spurred by stringent environmental regulations and government incentives for greener transportation solutions. In March 2023, the European Union reached a compromise on the Alternative Fuel Infrastructure Regulation, setting legally binding national and EU-wide targets for public charging infrastructure for light-duty vehicles and HDVs. By 2025, EU member states are required to deploy fast-charging stations at least every 60 km on core roads for passenger cars and vans and at least every 120 km for trucks and buses, aiming for 100% coverage by 2030.

Recent developments highlight the competitive landscape and the push towards electrification. In February 2024, Stellantis announced plans to offer electric versions of all its LCV models by 2025, including popular vans like the Peugeot Partner and Citroën Berlingo. Concurrently, Ford revealed in March 2024 that it would introduce a long-range electric version of its Transit Custom in early 2025, aiming to maintain its market leadership in the transition to electric mobility.

Germany remains the largest market for LCVs in 2023, followed by France, the UK, Italy, and Spain. The German market's strong performance is attributed to its robust economy and the presence of major logistics hubs. France has seen significant growth in electric LCV adoption, driven by government incentives and urban access restrictions. The UK market has shown resilience despite economic uncertainties, with a growing focus on fleet electrification.

Southern European markets, particularly Italy and Spain, have experienced steady growth in LCV sales, driven by expanding e-commerce and construction sectors. In Eastern Europe, countries like Poland and Romania have seen rapid growth in LCV demand, driven by economic development and infrastructure projects.

Medium and Heavy-Duty Commercial Vehicles

The medium and heavy-duty commercial vehicles segment accounted for USD 30.39 billion in 2023, and it is expected to reach USD 41.15 billion by 2029, projecting a CAGR of 4% to 6% during the forecast period 2024 to 2029.

The MHCV market is witnessing significant shifts, notably toward sustainability and enhanced efficiency. Diesel engines dominate the market due to their efficiency for long-haul operations. However, there's a notable shift towards

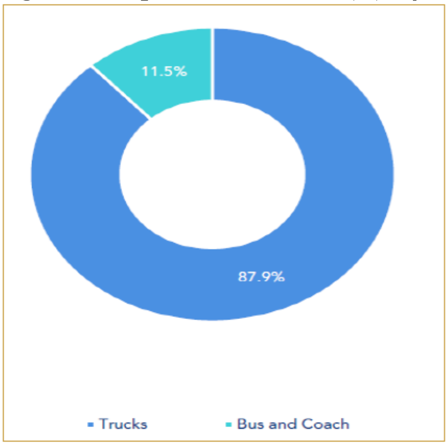
Battery Electric Vehicles, with these types experiencing rapid growth due to advancements in battery technology and increasing government incentives. The trend is further supported by stringent EU regulations aimed at reducing carbon emissions. The EU CO2 Emission Performance Standards for new heavy-duty vehicles, proposed in 2023, set targets for reducing fleet-level emissions for medium and heavy trucks, coach buses, small trucks under 5 tons, and vocational vehicles by 43% in 2030, 64% in 2035, and by 90% in 2040, compared to 2019. Additionally, internal combustion engine city buses are to be phased out by 2030, with an exemption for biomethane-fueled buses until 2035. The NEDC is the test procedure used. This policy is designed for buses, medium-duty trucks, and heavy-duty trucks.

The market features strong competition among leading manufacturers such as Daimler AG (Mercedes-Benz AG), MAN Truck & Bus, PACCAR Inc., Scania AB, and Volvo Group. These companies lead the market with their extensive product offerings, focus on innovation, and strong geographic presence across Europe.

The sector faces challenges, including adapting to stringent emissions regulations and the need for substantial investments in new technology, especially in the context of transitioning towards electric and hybrid models. Despite these challenges, the market is expected to grow, driven by the increasing need for transportation amid expanding urbanization and the continuous growth of service sectors like e-commerce, which depend heavily on efficient logistics.

Germany leads the market share among European countries due to its robust industrial base and extensive logistics and e-commerce sectors. The demand in Germany is indicative of broader trends across Europe, where economic strength and industrial activity significantly influence market dynamics.

Figure: Europe: Revenue share (%), of Medium and Heavy-duty Commercial Vehicles type, 2023



Source: Mordor Intelligence

Trucks

The trucks segment accounted for USD 26.72 billion in 2023, and it is expected to reach USD 36.35 billion by 2029, projecting a CAGR of 4% to 6% during the forecast period 2024 to 2029.

The market's growth is driven by increasing demands in the logistics and construction sectors, coupled with rising e-commerce activities that demand efficient transportation solutions. The segment's growth is also influenced by advancements in vehicle technology, including the shift towards electrification and stricter emissions standards set to take effect in the coming years.

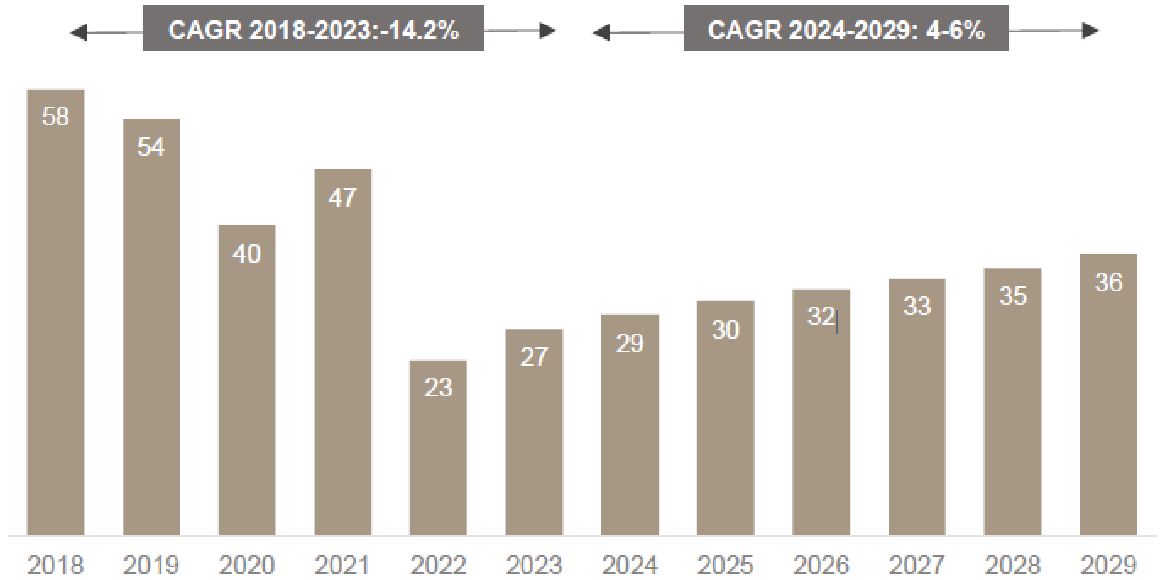
The European truck market is dominated by a few key players with strong brand recognition. As of 2023, the market share breakdown for heavy-duty trucks was Daimler Truck, Volvo Group, Traton Group, DAF, and Iveco. In the medium-duty segment, manufacturers like Renault Trucks and Mitsubishi Fuso also hold significant market shares. A major trend reshaping the truck segment is the push towards alternative power trains and fuel efficiency. This shift is driven by the EU's stringent CO2 emissions targets for heavy-duty vehicles and growing interest in sustainable transportation solutions.

The European Union HDV CO2 Standards, adopted in 2019, focus on reducing fleet-level emissions for heavy trucks by 15% in 2025 and by 30% in 2030, using 2020 as the reference year. The test procedure employed is the New European Driving Cycle. This standard is specifically aimed at heavy-duty trucks and is not applicable to passenger cars, light commercial vehicles, buses, or medium-duty trucks.

Recent developments underscore the industry's focus on cleaner technologies and advanced features. In September 2023, Volvo Trucks announced the start of series production for its heavy-duty electric trucks, with a range of up to 500 km, targeting long-haul transportation.

Concurrently, Daimler Truck revealed plans to introduce hydrogen fuel cell trucks for long-haul applications by 2025, complementing its battery-electric offerings Germany remains the largest market for medium and heavy-duty trucks in 2023, followed by France, Poland, Spain, and Italy. Germany's strong performance is attributed to its central location in European logistics and robust manufacturing sector. France has seen growth in electric truck adoption, particularly in urban distribution. Poland's market has expanded rapidly, driven by its growing role as a logistics hub for Central and Eastern Europe. Spain and Italy have shown steady growth, supported by recovering construction sectors and increased goods movement.

Figure: Europe automotive market, revenue in USD billion, by vehicle type, trucks, 2018 to 2029



Source: Mordor Intelligence

Bus and Coach

The bus and coach segment accounted for USD 3.67 billion in 2023, and it is expected to reach USD 4.80 billion by 2029, projecting a CAGR of 4% to 6% during the forecast period 2024 to 2029.

The bus segment within the European medium and heavy-duty commercial vehicles market is expected to witness moderate demand through 2024, with a more positive outlook projected for the following years. This segment, which includes various types of buses such as school buses and transit buses, is crucial for public transport infrastructure across Europe. The market is gradually recovering post-pandemic, with demand expected to stabilize and grow due to increased public sector investments and a shift towards zero-emission solutions.

Increasing push towards sustainability, with a growing emphasis on reducing emissions and enhancing public transport solutions, is a key driver for the bus market. This shift is supported by various government initiatives aimed at converting public transport fleets to greener alternatives, which is anticipated to drive demand for new buses, especially electric and hybrid models. Furthermore, upcoming emissions standards are likely to accelerate fleet renewals as operators seek to comply with stricter regulations. In 2023, the European Union proposed CO2 emission performance standards for new heavy-duty vehicles, which included a phase-out goal of achieving 100% electric vehicle sales for city buses by the year 2030. This policy aimed to reduce greenhouse gas emissions from the heavyduty vehicle sector by promoting the adoption of zero-emission buses in urban areas.

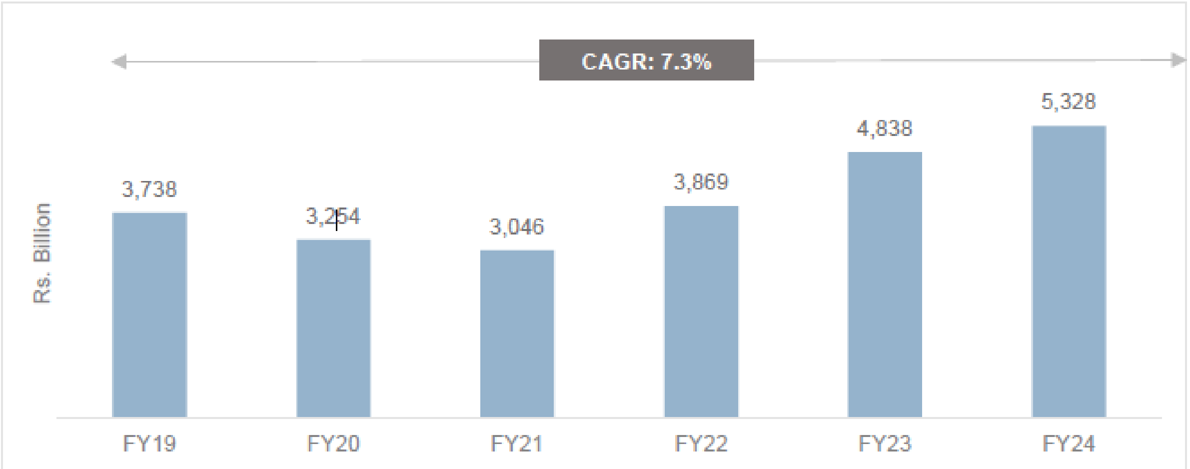
In 2022, the United Kingdom proposed ending the sales of new, non-zero emission buses and called for evidence on coaches and minibuses, with a phase-out goal of achieving a 100% ZEV share of bus sales by 2032.

In 2020, Germany's Hybrid and Electric Vehicle Technology Collaboration Programme proposed a phase-out goal of achieving a 50% share of electric urban buses by 2030. Major players in the bus market include well-known manufacturers such as Daimler AG, MAN Truck & Bus, and Volvo Group, among others. These companies are at the forefront of introducing advanced technologies and energy efficient models to meet both current and future demands. Innovations in electric bus technologies and the development of enhanced battery systems are key focus areas that are reshaping the competitive dynamics of the market.

REVIEW (FISCAL 2019 TO FISCAL 2024) AND (FISCAL 2019 TO FISCAL 2024) OUTLOOK OF THE INDIAN AUTO COMPONENTS INDUSTRY

Auto component production (which includes sales to OEMs, exports, and the replacement market) has increased at a CAGR of approximately 7.3% to ₹ 5,328 billion in Fiscal 2024 from ₹ 3,738 billion in Fiscal 2019. While domestic sales are more volatile due to various factors like regulations, fuel prices, economic cycles, etc. that impact the short-term demand, exports and aftermarket help buffer the overall auto-component production growth from similar fluctuations.

Domestic production of auto components (Fiscal 2019 to 2024)



Source: CRISIL MI&A

Auto component production revenue increased at 7.3% CAGR between Fiscal 2019-2024 was aided by recovery in economy, buoyant demand from OEM and replacement market as well as increase in exports. CRISIL estimates domestic auto-component production revenue to increase by 8% to 10% in Fiscal 2025.

Production of automotive components depends on consumption by different end-user segments: OEM, exports and the replacement market. OEM demand can be further segregated based on various vehicle segments. In Fiscal 2024, OEMs accounted for almost 63% of auto-component production by value. Among OEMs, cars and utility vehicle manufacturers remain the largest consumers.

Automotive component players are prone to risk due to the dependence on a few select clients or vehicle category and are highly dependent on demand from the OEMs.

The domestic auto components industry largely consists of small and medium enterprises. The industry is composed of over 780 organized players and 5,800 unorganized players. In terms of revenue, however, the organized segment dominates the industry. Auto Component Manufacturers Association ("**ACMA**") members represent 85% of the overall industry turnover. Over the past few years, more and more auto component companies have been registering as members of the ACMA.

Review of exports of auto components (Fiscal 2019 to 2024)

Auto component exports witnessed a strong growth at 10% CAGR during Fiscal 2019 to Fiscal 2024 period. Even during Fiscal 2017-2020 period, exports witnessed a healthy growth at 11% CAGR. Fiscal 2021 witnessed a contraction amidst the pandemic and the restrictions.

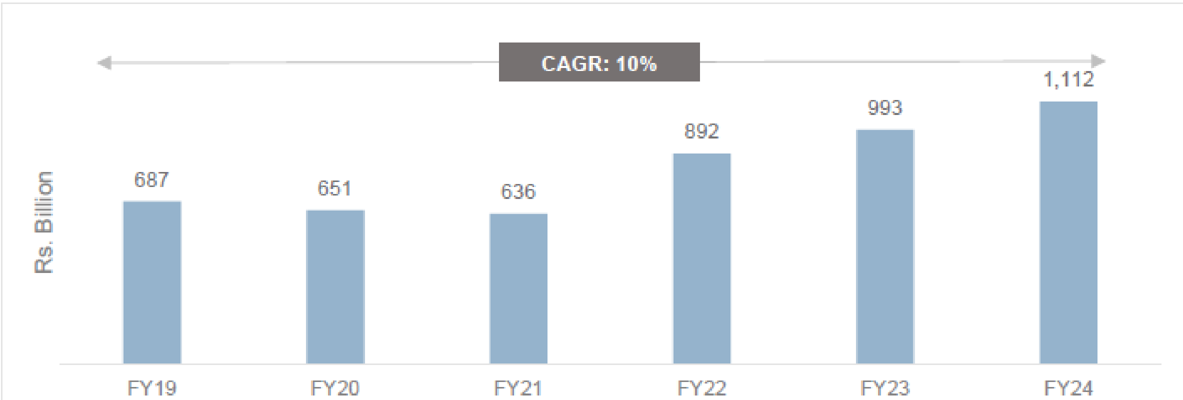
Auto component exports accounts for 21% of the overall demand in Fiscal 2024 and is projected to record a 7% to

9% on year growth in Fiscal 2025 post expected growth of 11% to 13% in Fiscal 2024. The growth would be on the back of demand from North America and Europe which together contributed approximately 45% to 50% to the export demand during April-Jan Fiscal 2024. Export revenues are also expected to be supported by increased global demand and China +1 strategy. However, rising inflation and global economic slowdown remains key monitorable.

Exports witnessed growth in Fiscal 2024 despite higher base of Fiscal 2022. Demand from North America surged by 19% whereas Europe witnessed modest growth of 3% on-year during Fiscal 2023 over a high base. From April to May 2024, demand form North America and Europe grew by 8% and 21% respectively.

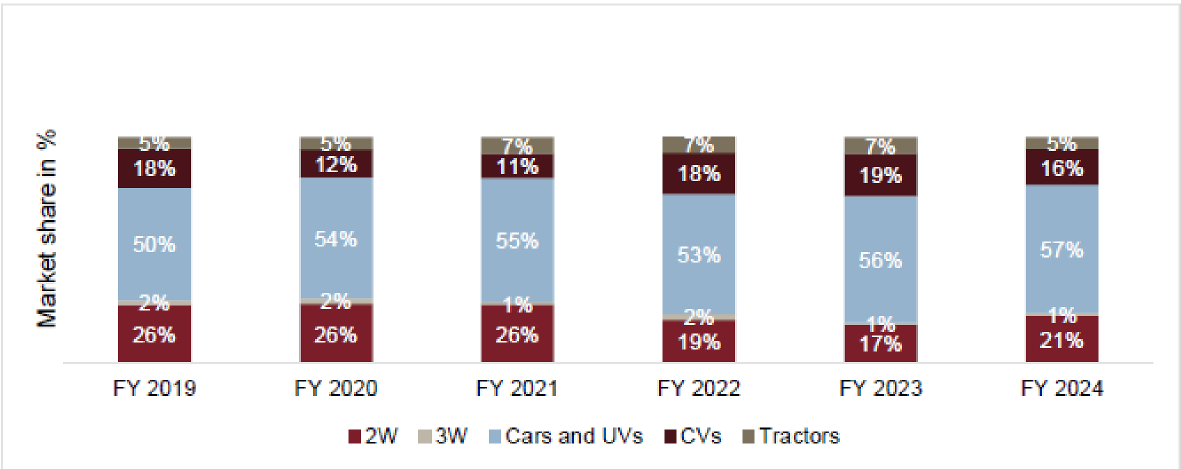
India's top exports destinations are United States (27.8% of total exports), Germany (6.9%), Turkey (5.4%), Brazil (3.7%). Export demand has shown strong recovery post unlock. However, demand from Europe has been under pressure due to recessionary fears and global slowdown.

Review of exports of auto components (Fiscal 2019 to 2024)



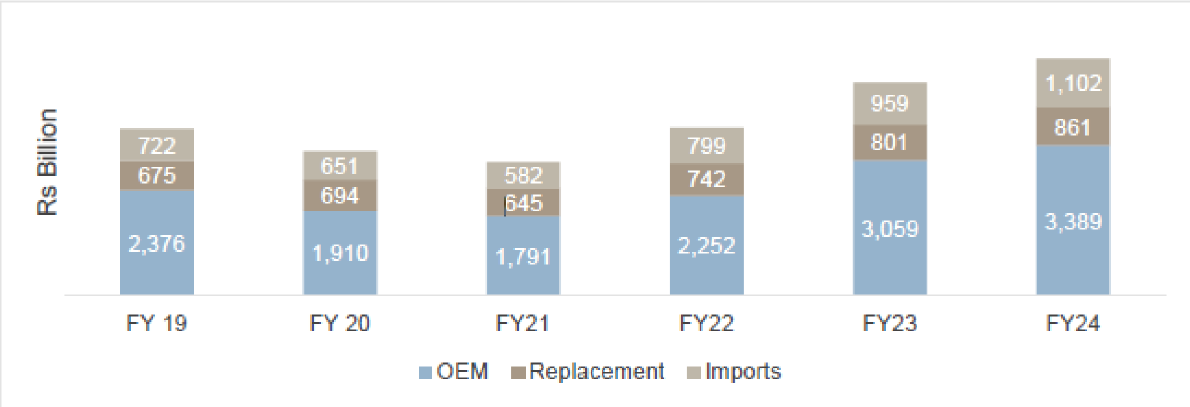
Source: CRISIL MI&A

Review of Auto component production segment by vehicle category



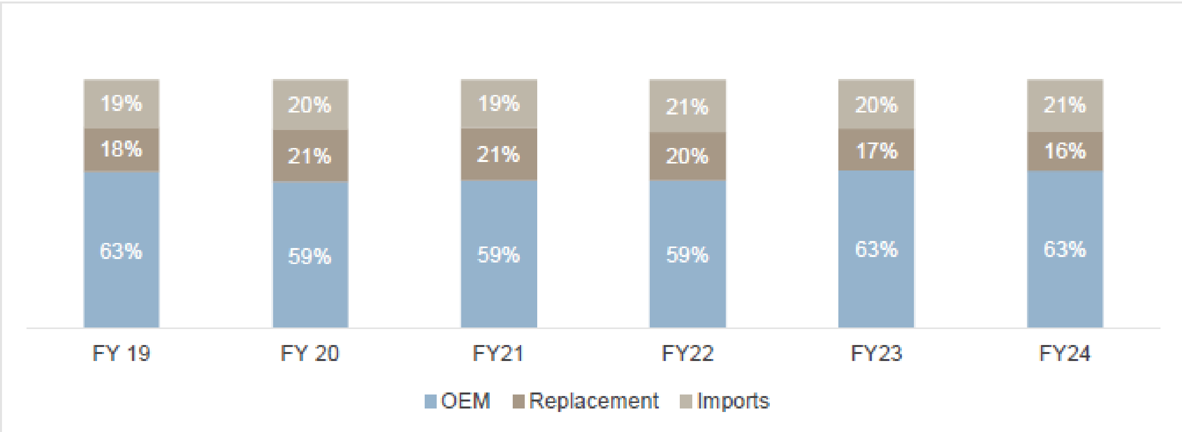
Source: SIAM, CRISIL MI&A

Trend in domestic consumption of automotive components (Fiscal 2019 to 2024)



Source: CRISIL MI&A

Review of Auto component consumption segment



Source: CRISIL MI&A

In Fiscal 2024, replacement segment is expected to clock 6% to 8% growth supported by the economic growth. In Fiscal 2023, replacement demand growth was on the back of healthy OEM demand witnessed between Fiscals 2017 and 2019. Assuming a two to three years of lifespan of automotive components, pent-up demand from Fiscal 2020 and 2021 is likely to have translated into replacement opportunity in Fiscals 2022 and 2023. Additionally, demand in the replacement market is expected to grow due to an increase in penetration of cab aggregator services in the overall stock of passenger vehicles in the medium term.

Auto component production revenue has surpassed the levels witnessed in Fiscal 19, wherein the industry reported a robust growth across all segments. Passenger vehicles, commercial vehicles and tractors are seen surpassing pre-Covid levels of production in Fiscal 2023 while 2W, 3W will recover from slump in Fiscals 2021 and 2022, albeit still below pre-Covid levels. Healthy demand from OEMs will drive auto-component demand followed by replacement and export markets.

Outbreak of second wave of COVID in the domestic market since April 2021 and the resultant state-wide lockdown impacted industry's revenues in first quarter of Fiscal 2022. Post unlocks, some recovery was seen in the industry in H2 Fiscal 2022. The growth in Fiscal 2022 was aided by recovery in economy, buoyant demand from key export destinations like North America and Europe and increased demand from replacement market led by pent-up demand. CRISIL MI&A estimates that production revenue increased 27% in Fiscal 2022.

In Fiscal 2024, imports increased by approximately 15% on year growth. Fiscal 2022 saw big spike of 37% in imports on lower base of Fiscal 2021. In Fiscal 2021, imports declined by approximately 11% owing to subdued demand from OEMs and aftermarket amid the pandemic. Besides, the domestic auto component manufacturers also operated at below-normal utilization levels in the first half owing to subdued demand and nationwide lockdown.

Growth drivers for Indian auto component industry

Demand side factors

Vehicle production: Passenger vehicles, commercial vehicles and tractors are seen surpassing pre-Covid levels of production in Fiscal 2023 while 2W, 3W will recover from slump in Fiscals 2021 and 2022, albeit still below pre-Covid levels. Healthy demand from OEMs has been driving auto-component demand followed by replacement and export markets.

CRISIL MI&A expects almost all vehicle segments to log robust production growth over Fiscals 2024-29. Production of 2Ws, 3Ws, PVs and CVs are projected to grow at a CAGR of 7% to 9%, 10% to 12%, 5% to 7% and 3% to 4%, respectively, over the forecast period.

Key macroeconomic trends are also likely to support demand for 2Ws, 3Ws, and PVs over the medium to long term. CRISIL MI&A expects urbanisation to reach 37% to 38% by Fiscal 2027 from approximately 35% in 2020. India's per capita income is also projected to log a 6% to 7% CAGR over Fiscals 2022 to 2027. These factors are likely to drive premiumisation across vehicle segments.

Rising Per capita income: In Fiscal 2021, per capita income declined 8.9% owing to GDP contraction amid the pandemic's impact. On the lower base of Fiscal 2021, per capita income rose 7.6% in Fiscal 2022. According to the International Monetary Fund's estimates, India's per capita income (at current prices) is expected to increase at a 7.6% CAGR over 2023 to 2028.

Investment in Infrastructure: Infrastructure improvements are expected to support automobile demand on account of employment generation, and improved accessibility and mobility.

Electrification

To curb pollution levels, EVs are gaining global interest. In India as well, EVs are gaining popularity as the government is extending support via various policies to encourage EV adoption. Furthermore, growing awareness and concern for environmental issues is likely to drive electrification in India. The government support, coupled with rising awareness about EVs, environmental concerns, as well as the expansion in EV infrastructure is driving electrification in India. The EV segment received a real thrust in the last two years backed by model launches at competitive rates, price hikes in ICE vehicles, elevated fuel costs as well as an improvement in infrastructure support.

MHI introduced Electric Mobility Promotion Scheme 2024 (EMPS 2024) in March 2024 with a budget outlay of ₹ 500 crores for a period of 4 months, starting from 1st April 2024 to 31st July 2024, for faster adoption of 2W EV and three-wheeler ("**e-3W**"). The scheme is aimed at providing incentives for the purchase of 2W EVs and e-3Ws in the country. The scheme would support the adoption of 372,215 EVs in total, including 333,387 2W EVs and 38,828 e-3Ws. The targeted e-3Ws include 13,590 e-rickshaws and e-carts, and 25,238 e-3Ws in the L5 category. Under the FAME-II scheme, PMP was implemented, and manufacturers were obligated to follow the PMP guidelines outlining the localization of EV components over time. These PMP guidelines for EVs will have to be followed by OEMs to be eligible for support under Electric Mobility Promotion Scheme 2024.

2W EVs will get a subsidy of ₹ 5,000 per kWh with a maximum limit of ₹ 10,000 per vehicle under the new scheme. E-rickshaws and carts will get a subsidy of ₹ 5,000 per kWh with a limit of ₹ 25,000 per vehicle. E-3Ws in the L5 category will also get a subsidy of ₹ 5,000 per kWh with maximum incentive capped at ₹ 50,000 per vehicle. Subsidies plays vital role in driving sales for EVs in the country. With FAME II having expired in March 2024, the introduction of EMPS is expected to provide an impetus to the EV market in the near term.

In the two-wheeler segment, initially lead-acid battery-powered scooters were launched in India which had average speeds below 25 km per hour ("**kmph**"). With innovations on the battery side, lithium-ion battery scooters gained traction, as they had average speeds of 40 to 50 kmph. Moreover, backed by a bevy of vehicle launches, entry of non-traditional players such as Ola and Ather into the EV space, added FAME subsidy incentives, increased ICE vehicle prices, and a sharp rise in fuel prices, EV sales have skyrocketed, especially in the last two years. The tech-savvy younger customer base quickly adopted these latest vehicles, which offered state-of-the-art features, attractive designs, lightweight body, and increased manoeuvrability.

Since EVs are simpler to produce than traditional ICE vehicles, many new OEMs have emerged in the space, both start-ups (such as Ather Energy, Simple Energy, and Tork Motors that have developed EV offering indigenously) and established business houses (such as JSW Group foraying into EV manufacturing). Non-legacy players such as Ola Electric, Ather Energy, Okinawa Scooters, and Ampere EV by Greaves have gained a strong foothold in the domestic 2W EV industry, stealing a march on established OEMs, and are disrupting the market with a hope to leverage their first-mover advantage and technological expertise. Traditional ICE players have taken longer to enter the 2W EV segment; however, they are making up for lost time by rapidly expanding their sales network and production capacity and are likely to challenge the top EV players.

E-3Ws use lithium-ion batteries and have a speed of more than 25 kmph. They are used for cargo and passenger movement. This space is characterised by the presence of relatively few players such as Piaggio and Mahindra and Mahindra. Under FAME-I, lead-acid battery-driven e-3Ws were also eligible for the subsidy. However, under FAME-II, only advanced batteries and registered vehicles are eligible. Piaggio and Mahindra and Mahindra currently dominate the e-3W/e-autos retail market, accounting for more than 60% of retail sales. Market leader in the ICE segment, Bajaj has recently entered the e-autos space. Unlike the fragmented e-rickshaw segment, which is dominated by the unorganised market, the e-autos segment is much more organised and dominated by large traditional players. Three-wheelers are anticipated to spearhead the Indian EV journey because these vehicles are often used for short-distance trips, carry more load, and generally make do with a day's worth of charge. In addition to the cost advantage due to central and state subsidies on EVs, the total cost of ownership of an e-3W is much less than that of an ICE alternative.

EV penetration in the PV segment was insignificant till Fiscal 2021 but it received a significant boost amid a sharp rise in fuel prices, a rise in ICE vehicle prices and the launch of newer models in the EV segment. Additionally, rising awareness, shifting consumer preferences provided an added boost to EV demand. However, electrification in the passenger vehicle segment is still at a quite nascent stage amid range anxiety, limited charging infrastructure availability, and relatively high costs of EVs, raising the total cost of ownership of EVs. EV adoption will be spearheaded by the taxi/commercial passenger vehicle segment. For this segment, the continued lower cost of ownership will provide the incentive to shift from ICE vehicles to EVs. Moreover, the entry of Greentech EV-only start-ups such as BluSmart and CAB-E will further boost demand. EV adoption in the personal segment is expected to be gradual. EV penetration will also be propelled by policies adopted by the government for penalising non-adherence to CAFE norms.

Light weighting

Lightweighting is a crucial aspect for the transport sector in improving vehicle performance, energy efficiency and emissions, and making safer vehicles. Replacing cast iron and traditional steel components with lightweight materials can directly reduce the weight of a vehicle's body and chassis and therefore reduce a vehicle's fuel consumption increasing efficiency. Aluminium and high strength steel are the most used metals by automakers for lightweighting while improving performance standards, safety, and corrosion. Apart form that the materials including composite materials which are made of carbon fibre, plastics and polymers are also used in vehicles to reduce weight.

Lightweight materials are especially important for hybrid, plug-in hybrid, and pure electric vehicles. Using lightweight materials in these vehicles can offset the weight of power systems such as batteries, electric motors and other drivetrain related components. With EVs penetration increasing, application of lightweight materials in automobiles is expected to grow as the use of these materials would improve the performance of EVs, due to lighter weight the efficiency of the vehicle can increase translating to higher range for a given size of battery, lowering the range anxiety expressed by customers. With high focus on energy efficiency and range anxiety in BEVs, light weighting is gaining increasing focus of automakers globally. Even in ICE vehicles, the need to lower greenhouse gas emission has seen adoption of materials such as aluminium, magnesium, composite materials which are used to make thinner body panels and other structural members which can improve fuel efficiency.

Lightweighting has always been a point of focus for both ICE vehicle and EV manufacturers. Companies are using components made from aluminium, HSS, composites and plastics by improving the properties of these components to match application needs while keeping the weight low. With the dual focus on reducing oil imports, as well as gradually tightening fuel consumption, norms have forced OEMs to look for ways to improve fuel efficiency in their vehicles. One of these involves the use of components that have a higher strength-to-weight ratio, i.e., these components weigh less, but at the same time, offer superior structural properties and service life. Another area of focus is EVs, where efforts to alleviate range anxiety require more efficient vehicles that are lighter, but also strong enough to support heavier parts such as batteries, so that structural integrity is maintained on rough roads and in the case of a crash.

However, the adoption of aluminium frames/light weighting is still limited owing to the price dynamics, where in aluminium is priced 4x as compared to steel, which plays an important role in overall pricing of the vehicle.

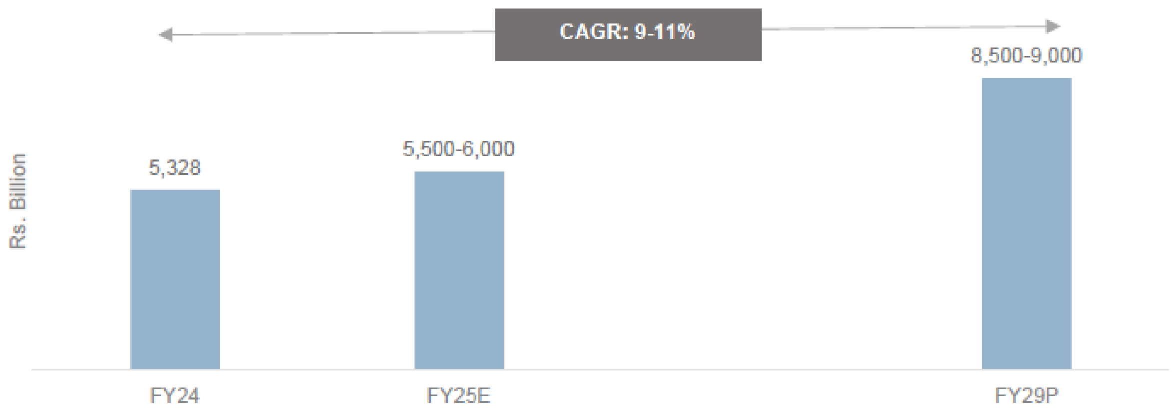
With EVs penetration increasing, application of lightweight materials in automobiles is expected to grow as the use of these materials would improve the performance of EVs, due to lighter weight the efficiency of the vehicle can increase translating to higher range for a given size of battery, lowering the range anxiety expressed by customers.

Outlook of Indian auto components industry (Fiscal 2024 to 2029)

CRISIL MI&A expects auto component market size to grow at 9% to 11% CAGR between Fiscals 2024 and 2029 to reach ₹ 8,500 billion to ₹ 9,000 billion. This is more than approximately 7% CAGR observed during Fiscal 2019 to Fiscal 2024. Long-term growth to appear higher over a low base wherein the auto component industry witnessed a significant decline in the preceding two Fiscals (Fiscal 2020 and Fiscal 2021). Demand from all segments has grown further post Fiscal 2023.

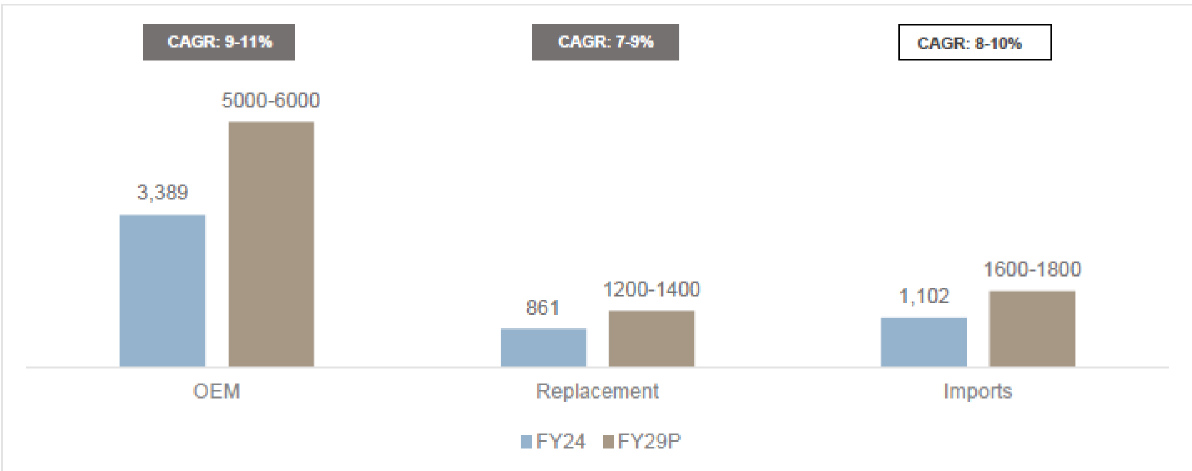
CRISIL MI&A projects auto component revenue is expected to increase by 8% to 10% in Fiscal 2025. This can be attributed to increase in OEM demand, driven by the recovery in CV and passenger vehicle demand. On the export front, Auto component exports (accounting for 21% of the overall demand in Fiscal 2024) are projected to witness growth going ahead post higher double-digit growth post Fiscal 2024.

Figure: Outlook on domestic production of auto components (Fiscal 2024 to Fiscal 2029P)



E: Estimated, P: Projected 5,328
Source: CRISIL MI&A

Outlook on domestic consumption of auto components (Fiscal 2024 to Fiscal 2029)



E: Estimated, P: Projected
Source: CRISIL MI&A

The growth in Fiscal 2025 will be aided by recovery in economy (GDP growth of approximately 6.8%), buoyant demand from OEM and replacement market.

OEM demand is expected to clock 9% to 11% CAGR between Fiscals 2024 and 2029 on the back of robust production growth across asset classes in the medium term (on a low base) and aided by realisation growth via OEM price increases.

Commercial vehicle production is expected to grow by 3% to 5% CAGR between Fiscal 2024 and 2029 on account of improvement in infrastructure expenditure and lower penetration in light commercial vehicles. Demand is expected to increase during the period with medium and heavy commercial vehicle leading the growth in the upcoming five years. The growth can be attributed to an improvement in industrial activity, rising replacement volume and government's thrust on rural transportation.

Passenger vehicle segment production is expected to grow by 6% to 8% in Fiscal 2025. Production improved significantly in Fiscal 23 and Fiscal 2024 due to easing supply conditions coupled with healthy demand for new models primarily UV's. Capacity utilization levels of PV manufacturers is likely to be higher in Fiscal 2025 compared to approximately 68% to 72% the preceding year.

Two-wheeler production growth is expected to grow by approximately 11% to 13% in Fiscal 2025. Two-wheeler production grew by 10% in April-Mar Fiscal 2024 to 21.47 million units owing to strong festive season demand and increasing EV adoption. Domestic wholesale volume is expected to grow by 10% to 12% in Fiscal 2025 after an expected growth of 11% to 13% in Fiscal 2024.

Tractor production is expected to increase by 4% to 6% aided by a predicted normal monsoon boosted by the impact of La Nina in Fiscal 2025. The increase if post an expected decline of approximately 8% to 10% in Fiscal 2024 due to lower domestic demand as poor distribution of monsoon, low reservoir levels, elevated inventory levels and impacted rural incomes have restricted demand. The proportion of manufacturing activity outsourced to auto component makers is highest for cars and utility vehicles, explaining this segment's high contribution to OEM revenue. Outsourcing in the commercial vehicle segment is lower than for cars, but is expected to increase in the future, owing to growing technological spends by auto component players due to BS VI and safety norms. We expect localization by certain OEMs to increase, in turn supporting growth in domestic OEM offtake.

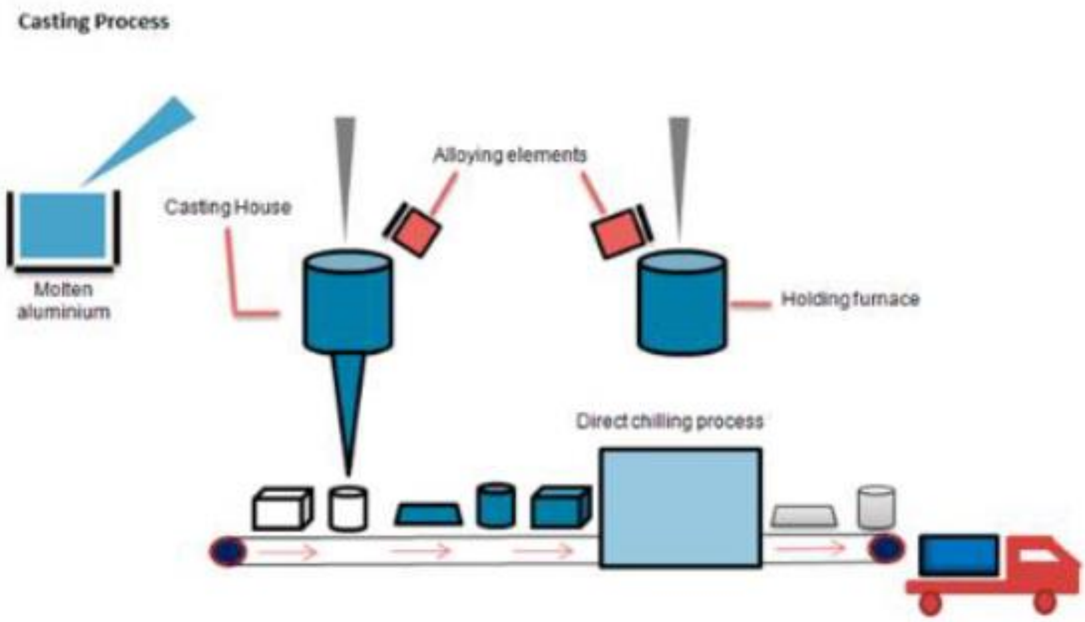
ASSESSMENT OF THE CURRENT MARKET SIZE AND OUTLOOK (Fiscal 2024 to Fiscal 2029) FOR AUTOMOTIVE DIE CASTING

Overview of Automotive die-casting as a subsegment of the auto component space

Qualitative overview of the die casting process

Die casting stands as one of the most venerable methods for metal shaping. This technique involves the melting of metal or metal alloys, which are subsequently poured into an accurately prepared mold, followed by a cooling period. Upon solidification, the piece is extricated from the mold, at which point it may undergo additional processing via various techniques. The nature of the molding process varies depending on the specific method employed; it may remain intact, undergo partial reconstruction, or be entirely dismantled during the extraction of the cast piece. Molds are generally constructed from materials or alloys possessing a melting point significantly higher than that of the metal to be cast.

Figure: Casting process



Source: CRISIL MI&A

All die casting machines are composed of three principal components:

- A casting machine, which encases the die into which the molten metal is introduced.
- The mold, which accommodates the molten metal and subsequently ejects the solidified product.
- The casting metal or alloy. Initially, the metal is melted, incorporating any desired alloying elements.

Subsequently, hydraulic energy is employed to swiftly fill the die with molten metal. The die is designed to endure the pressures exerted during injection and to efficiently dissipate the heat generated by the molten metal.

There are two principal categories of die casting machines. The initial category employs air-operated mechanisms, wherein compressed air exerts pressure on the molten metal's surface, forcing it into the die through a specialized ladle known as the "goose." The subsequent category utilizes a submerged cylinder and piston arrangement for the same purpose.

The die casting procedure encompasses three primary methodologies:

- The hot chamber method is appropriate for metals with lower melting points, such as zinc and magnesium. In the hot chamber method, the hydraulically operated cylinder and piston are immersed directly into the molten metal.
- The cold chamber method is utilized for metals possessing higher melting points, like aluminum. The cold chamber method involves the molten metal being supplied to the cylinder and piston from a distinct reservoir.
- In the direct injection method, nozzles directly inject the molten metal into the dies.

The die casting process typically necessitates significant quantities of non-contact cooling water. Furthermore, lubricants, referred to as "die lubes," are employed to prevent the casting from adhering to the die. The choice of die lubes is largely dictated by the requirements of wastewater treatment and discharge permits, as well as their efficacy in facilitating a smoother casting process, ensuring the metal flows uniformly into all die cavities, and their ease of handling.

Overview of Aluminum, Iron, and Zinc Die Casting in Automotive Components

Aluminum Die Casting is favored for its lightweight, high strength-to-weight ratio, and excellent corrosion resistance. It is widely used in engine components, transmission housings, and wheels due to its ability to reduce vehicle mass and improve fuel efficiency.

Iron or ferrous die Casting employs typically ductile iron as the raw material, and the casted product offers superior strength, toughness, and vibration absorption, making it ideal for heavy-duty parts like engine blocks, brake discs, and suspension components.

Zinc Die Casting is valued for its fluidity, allowing the creation of intricate parts with high precision and excellent surface finish, commonly used in smaller components like door handles and carburetors

Differences and Applications

Aluminum is the lightest of the three, ideal for weight-sensitive applications, while iron provides the highest strength for heavy-duty uses. Zinc, though heavier than aluminum, offers precision and detail, making it suitable for smaller, complex parts. Aluminum excels in corrosion resistance and thermal conductivity, zinc provides moderate thermal properties, and iron is strong but prone to rust.

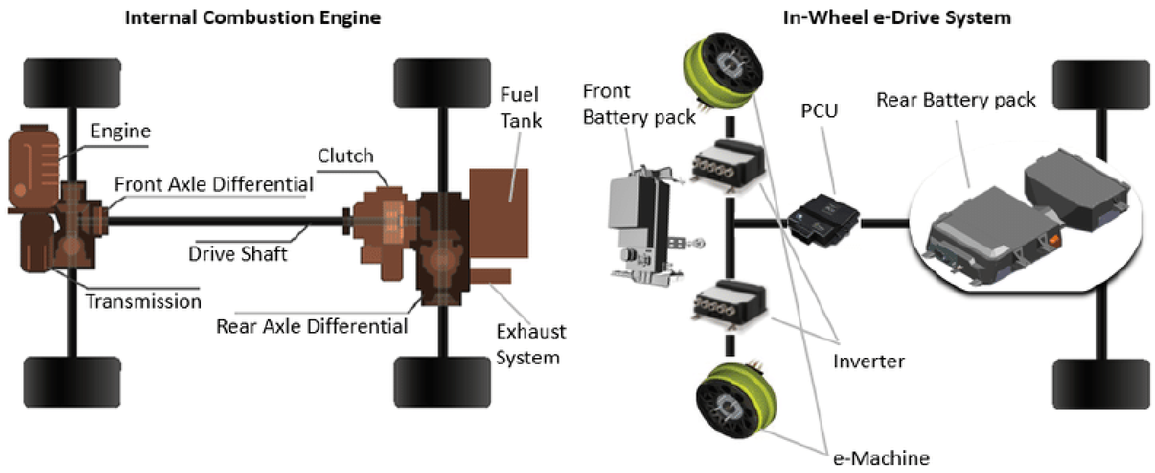
Aluminium+zinc and zinc alloys-based die casting is picking up steam as it combines the strengths of both metals, offering enhanced fluidity, strength, and corrosion resistance, making them ideal for complex structural components. Zinc alloys, like Zamak, are gaining popularity for their excellent casting properties and precision in producing high-tolerance parts. These materials are increasingly favored for their ability to produce intricate designs cost-effectively while maintaining a good balance of weight, strength, and environmental sustainability.

Qualitative analysis and description of the applications in the Automotive Industry: Passenger vehicles:

Powertrain

A powertrain encompasses all the components that propel a vehicle forward. It generates power from the engine and transmits it to the wheels. Historically, the automotive sector was predominantly dominated by two main types of powertrains that had defined the sector for more than a hundred years: petrol and diesel. However, off late, the sector is expanding its range to a wide variety of powertrain options, driven largely by government regulations that encourage the development of more eco-friendly and efficient modes of transport. As the range of powertrain types expands to include more hybrid and electric models, the complexity and dynamism of the powertrain component market are on the rise.

Figure: Powertrain of an ICE versusEV



Source: Industry sources

The main elements of a powertrain which are generally die-casted are the below:

Table: List of diecast powertrain components in a Passenger Vehicle

Components	Description	Casting material	Engine
Engine block	House the engine cylinders, engine valves, pistons and combustion chambers.	Ferrous	ICE
Cylinder head	Contains engine valves, spark plugs, and combustion chambers.	Ferrous/ Aluminum	ICE
Gearbox housing	Encloses gearbox components, provides structural	Ferrous/ Aluminum	ICE
Piston	support	Aluminum	ICE
Connecting rod	Transfers force from exploding fuel to crankshaft.	Aluminum	ICE
Engine mount	Supports the rod bearing and maintains alignment.	Aluminum	ICE
Intake manifold	Supports the engine and reduces vibration	Aluminum	ICE
Exhaust manifold	This is aluminum casted and distributes air-fuel mixture to engine cylinders	Aluminum	ICE
Oil pan	Aluminum casted and collects the exhaust	Aluminum	ICE
Water pump housing	Aluminum cast and enclosed engine oil.	Aluminum	ICE
Alternator housing	Encloses the water pump and provides coolant circulation	Aluminum	ICE
Starter motor housing	Encloses alternator that provides electric power	Aluminum	ICE
Electric Motor Housing	Encloses starter motor provides the Engine starting power.	Aluminum	EV
Inverter Housing	Encloses the electric motor. A structural	Aluminum	EV

Components	Description	Casting material	Engine
	component that supports the motor and bearings		
Thermal Management	Encloses the power electronics. Protects the electronics	Aluminum	EV
Components	and provides cooling	Ferrous	EV
Electric Motor Stator	Heat sinks, radiators, and cooling channels. Manages heat	Ferrous	EV

Table: List of diecast powertrain components in a Commercial Vehicle

Components	Description
Engine Block	Main structural component of the engine
Cylinder Head	Sits on top of the engine block, contains valves and combustion chambers
Crankshaft	Converts reciprocating motion of pistons into rotary motion
Camshaft	Operates valves in the cylinder head
Gearbox Housing	Contains gears and bearings for transmission

Note: Commonly used casting material for Heavy Commercial vehicle is Ferrous and hence separate column has not been mentioned for casting material.

Table: List of diecast powertrain components in a 2W

Components	Description	Casting material	Engine
Cylinder Head	Channels combustion mixture and exhaust gases, critical for engine performance and efficacy	Ferrous/ Aluminum	ICE
Engine Block	Housing for the engine's cylinders, pistons and crankshaft, core component of the engine	Aluminum	ICE
Crankcase	Covers the crankshaft and bearings. provides structural support and cooling	Aluminum	ICE
Crankshaft	Converts reciprocating motion into rotary motion, critical for engine operation	Ferrous	ICE
Camshaft	Operates the engine's valves, essential for engine performance and efficiency	Ferrous	ICE
Valves	Controls airflow and combustion. critical for engine operation	Ferrous	ICE
Motor Housing	Encloses the electric motor, provides structural support and cooling	Aluminum	EV
Controller Housing	Encloses the motor controller, protects and provides cooling	Aluminum	EV
Battery Tray	Supports the scooter's battery pack, provides structural support and cooling	Aluminum	EV
Electric Motor Stator	Part of the electric motor, generates torque through electromagnetic induction	Ferrous	EV
Rotor	Part of the electric motor, rotates to generate torque	Ferrous	EV

Source: CRISIL MI&A
Note: ICE: Internal combustion Engine | EV: Electric Vehicle

Among the components mentioned, the engine block stands out as the heaviest, requiring approximately 80 to 150 kgs of die-cast iron, with the weight varying based on the car's size and model. The cylinder rod follows closely, with weights ranging from 20 kg for small cars to over 40 kg for large cars, reflecting the engine's capacity. Other components, such as pistons, connecting rods, engine mounts, intake manifolds, exhaust manifolds, oil pans, water pump housings, alternator housings, and starter motor housings, are comparatively lighter, with weights typically falling in the lower single digits, attributed to their aluminum cast construction.

However, EV car-specific components, including electric motor housings, inverter housings, thermal management components, electric motor stators, and more, exhibit higher weights, ranging from 20 kg to 50 kg. This is due to the need for high power density and efficient thermal management, as electric vehicles demand high torque and speed capabilities. For instance, the electric motor housing is engineered to meet the stringent requirements of electric motors, ensuring they can handle high torque and speed. Other components like camshaft, crankshaft, bearing housings, are manufactured with either ductile iron or forged steel.

Aluminum die casting plays a crucial role in EVs by reducing overall vehicle weight, which in turn extends driving range and lowers costs. Despite its lightweight nature, aluminum offers the necessary strength for structural components, ensuring safety and durability. Additionally, aluminum excels in thermal management, efficiently dissipating heat from batteries and electronics, which enhances the longevity of these systems. Its natural corrosion resistance further contributes to the durability of EV components, making aluminum an indispensable material in the automotive industry.

Current R&D in India is focused on advancing die-casting technologies to support the growing EV market. Efforts in aluminum innovation aim to develop advanced alloys and refine casting techniques, producing lighter and stronger components. Similarly, research in zinc is exploring new alloys and their integration with EV technologies to enhance performance. There is also a strong emphasis on sustainability, with initiatives to make die-casting processes more eco-friendly and improve recycling methods. Government and industry collaborations play a key role in driving these advancements, ensuring that India stays at the forefront of EV technology development.

Brief overview of other key modules in powertrain

Electronic Control unit ("**ECU**"): This is an electronic device - Controls all processes in engine, injection, aftertreatment system, and fuel system and ensures optimal engine performance. The manufacturers of ECU generally make the hardware and base software and sell it to OEMs who then customize to their applications.

Port fuel injection: Indirect injection only applicable in petrol vehicles.

Direct injection: Used both in gasoline and diesel vehicles with improved fuel efficiency as compared to port fuel injection. Direct injection is also a very crucial module like the ICU since direct injection is expected to reduce the emissions compared to the conventional port fuel injection.

Fuel system: Manages storage, supply, and monitoring of fuel delivered to the combustion engine and contains the low-pressure components of the engine as well as the evaporation system. The fuel system market is generally characterized by multiple suppliers due to fewer technology requirements and hence low entry barriers.

Higher ferrous intensity is observed in MHCVs, which are characterized by more complex and heavier components. Conversely, LCVs, which typically have a Gross Vehicle Weight ("**GVW**") ranging from 3.5 to 7 tons, feature simpler and lighter designs. Hence LCVs often incorporate aluminum components in their design, in comparison to ferrous materials used in MHCVs.

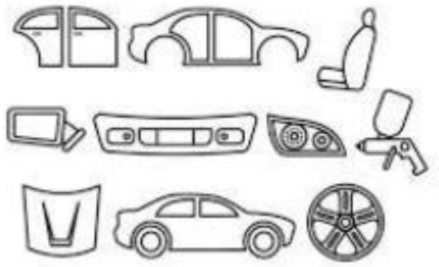
The total weight of the engine block in a heavy commercial vehicle typically ranges from 300 to 400 kg, followed by the transmission case, which weighs between 200 and 300 kg. The next set of heavy components includes gear sets, the crankshaft, and the differential housing, each weighing approximately 100 to 200 kg. Other components, such as the cylinder head and the flywheel, contribute to the weight, with an approximate weight range of 100 to 200 kg. In contrast, the components of light commercial vehicles generally account for 45 to 65% of the weight of the components in heavy commercial vehicles.

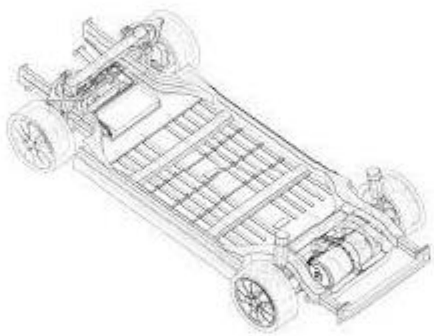
The weight of the Engine for a motorcycle in ranges between 40 to 70 kg depending on the engine capacity and model. Transmission weighs around 10 to 20 kg. The components of a scooter range between 50% to 60% of the components of a motorcycle. ICE scooters have an internal combustion engine, characterized by an extensive array of components. Conversely, electric scooters have an electric motor, characterized by a reduced number of moving parts. ICE scooters necessitate the integration of a transmission, clutch, and gearbox, whereas electric scooters typically employ either a single-speed or multi-speed gearbox. The internal combustion engine of ICE scooters incorporates a crankshaft, camshaft, valves, pistons, and connecting rods, elements absent in the electric scooter's design. Additionally, electric scooters are equipped with a battery, a controller, and power electronics components.

Body and Chassis

Body is the outer shell of the vehicle, including the frame, panels, and exterior components. It provides protection, supports interior components, and shapes the vehicle's appearance. Chassis is the internal framework that supports the body, engine, transmission, suspension, and steering systems. It transfers forces from the wheels to the body and maintains vehicle stability.

Figure: Body and Chassis





Source: Industry

Table: List of Die-casted components in the Body and Chassis module of a Passenger vehicle

Components	Description	Casting material	Engine
Front Axle Housing	Supports front axle shafts and steering components	Aluminum	ICE/EV
Rear Axle Housing	Supports rear axle shafts and suspension components	Aluminum	ICE/EV
Steering Geer Housing	Encloses steering gear and power steering pump	Ferrous/ Aluminum	ICE/EV
Subframe Components	Provides structural support for suspension and steering	Ferrous	ICE/EV
Crossmember Components	Adds structural support to frame	Ferrous	ICE/EV
Suspension Mounts	Supports suspension components and reduces vibration	Ferrous	ICE/EV
Body Brackets	Attaches body panels to frame	Aluminum	ICE/EV
Frame Rails	Provides structural support for vehicle body and chassis	Ferrous/ Aluminum	ICE/EV
Crossmembers	Adds structural support to frame	Aluminum	ICE/EV
Suspension Mounts	Supports suspension components and reduces vibration	Ferrous	ICE/EV
Steering Knuckle	Connects steering column to front wheels	Ferrous	ICE/EV
Hub Carriers	Supports wheel bearings and maintains wheel alignment	Ferrous	ICE/EV

Table: Die-casted components in a body and chassis of a commercial vehicle

Components	Description
Frame Rails	main structural members of the chassis
Cross Members	connect frame rails, provide additional strength
Spring Hangers	Attach suspension springs to chassis
Steering Gear Housing	Contains steering gear and bearings

Note: Commonly used casting material for Heavy Commercial vehicle is Ferrous and hence separate column has not been mentioned for casting material.

Table: Body and Chassis components in a 2W

Components	Description	Casting material	Engine
Handlebar Clamps	Supports the handlebars, provides structural support and control	Aluminum	EV/ICE
Swingarm	Supports the rear wheel, provides structural support and suspension	Aluminum	EV/ICE
Frame	Structural member of the scooter, provides structural support and mounting points	Ferrous	EV/ICE
Fork Legs	Supports the front wheel, provides structural support and suspension	Ferrous	EV/ICE

Source: CRISIL MI&A

Among the above components, frame and subframe components, front and rear axle housings weigh the highest ranging between 25 to 40 kg in passenger cars depending on vehicle model and design. Typically, a similar component in an electric passenger vehicle weighs 4 to 6 kg lower than that used in an ICE vehicle.

The shift from Internal Combustion Engine ("**ICE**") vehicles to EVs is catalyzing substantial transformations in the design of the body and chassis. ICE vehicles are characterized by heavier engines, transmissions, and fuel systems, necessitating the development of stronger, more robust bodies and chassis.

Electric vehicles boast lighter electric motors, batteries, and a reduced degree of complexity, facilitating the adoption of more adaptable and aerodynamic designs. The chassis of EVs are undergoing an overhaul, incorporating skateboard platforms that integrate batteries and powertrains, thereby enhancing safety, maneuverability, and interior space. Furthermore, the bodies of EVs are being constructed from lighter materials like aluminum, which not only reduces weight but also improves efficiency.

Suspension and Braking

The suspension system serves as the link between the vehicle's wheels and its chassis, effectively absorbing the impacts of bumps, vibrations, and shocks encountered on the road. The braking system is responsible for decelerating or halting the vehicle's motion.

Generally, ICE vehicles exhibit more intricate suspension systems, primarily due to the positioning of the engine and transmission. In contrast, EVs offer the advantage of instant torque and unique power delivery mechanisms, which in turn affect the behavior of both braking and suspension systems.

Table: List of Die-casted components in the Suspension module of a Passenger vehicle

Components	Description	Casting material	Engine
Control arm mounts	Supports the handlebars, provides structural support and control	Aluminum	ICE/EV
Hub Carriers	Supports the rear wheel, provides structural support and suspension	Aluminum	ICE/EV
Brake Caliper Mounts	Structural member of the scooter, provides structural support and mounting points	Aluminum	ICE/EV
Suspension Links	Supports the front wheel, provides structural support and suspension	Aluminum	ICE/EV
Steering Knuckle	Connects steering column to front wheels	Aluminum	ICE/EV
Brake Rotor Carrier	Supports brake rotors and maintains brake alignment	Aluminum	ICE/EV
Control arm mounts	Supports control arms and maintains suspension alignment	Ferrous	ICE/EV
Hub Carriers	Supports wheel bearings and maintains wheel alignment	Ferrous	ICE/EV
Brake Caliper Mounts	Supports brake calipers and maintains brake alignment	Ferrous	ICE/EV
Suspension Links	Connects suspension components and maintains alignment	Ferrous	ICE/EV
Steering Knuckle	Connects steering column to front wheels	Ferrous	ICE/EV
Brake Rotor Carrier	Supports brake rotors and maintains brake alignment	Ferrous	ICE/EV

Table: List of diecast Suspension and Braking components in a commercial vehicle

Components	Description
Steering Knuckle	Connects wheel hub to steering system
Brake Drum	Rotating drum for drum brakes
Hub Assembly	Contains bearings and seals for wheel hub

Table: List of diecast Suspension and Braking components in a 2W

Components	Description	Casting material	Engine
Brake Calipers	Houses the brake pads and pistons. slows or stops the vehicle	Aluminum	EV/ICE
Coil Springs	Supports the vehicle's weight and absorbs	Ferrous	EV/ICE

	shocks, provides ride comfort and stability		
Brake Rotors	Friction surface for the brake pads, slows or stops the vehicle	Ferrous	EV/ICE

Source: CRISIL MI&A

In contrast to the above modules, where the overall weight of components in an EV has generally been lower than that of an ICE vehicle, the weight of components within the suspension and braking systems of an EV tends to be higher. This is attributed to the strategic positioning of batteries within EVs, which results in a lower center of gravity. Consequently, the design of suspension components in EVs requires a certain level of specialization to effectively manage the weight and distribution of these batteries.

Furthermore, EVs are equipped with regenerative braking technology, which captures kinetic energy and transforms it into electrical energy, thereby reducing the strain on conventional braking systems. This technology often necessitates the use of larger brake rotors to manage the regenerative braking forces effectively. In contrast, ICE vehicles depend exclusively on traditional friction braking systems, devoid of the regenerative braking capabilities found in EVs.

Drive Transmission and Steering

The drive transmission system transmits power from the engine to the wheels, enabling the car to move. The steering system enables the driver to control the direction of the car. EVs tend to have more precise and responsive steering due to their electric power steering systems. ICEs may have a more direct steering feel due to mechanical linkage.

Table: List of Die-casted components in the Drive transmission and Steering module of a Passenger vehicle

Components	Description	Casting material	Engine
Transmission Case	Encloses transmission gears and shafts	Aluminum	ICE
Gearbox Housing	Encloses gearbox components and provides structural support	Aluminum	ICE
Differential Carrier	Supports differential gears and shafts	Aluminum	ICE
Axles Shaft Housing	Supports axle shafts and maintains wheel alignment	Aluminum	ICE
Steering Column Housing	Encloses steering column and power steering pump	Aluminum	ICE
Power Steering Pump Housing	Encloses power steering pump and reservoir	Aluminum	ICE
Gearbox Components (e.g., Gears, Shafts)	Transmits power and maintains gear ratio	Ferrous	ICE
Differential Components (e.g., Gears, Shafts)	Transmits power to wheels and maintains traction	Ferrous	ICE
Axle Shafts	Transmits power from differential to wheels	Ferrous	ICE
Steering Column Components	Transmits steering input from driver to wheels	Ferrous	ICE/EV
Transmission Housing	Encloses the transmission gears and bearings. Supports the transmission and provides cooling	Aluminum	EV
Gear Sets	Transfers power between transmission and drivetrain. Provides torque and speed conversion.	Ferrous	EV

Table: List of die cast components in Drive transmission and Steering of a commercial vehicle

Components	Description
Differential Housing	Contains gears and bearings for differential
Axle Housings	Contain bearings and seals for axle shafts
Steering Arm	Connects steering knuckle to steering gear

Table: List of die cast components in Drive transmission and Steering of a 2W

Components	Description	Casting material	Engine
Transmission	Encloses the transmission gears and bearings,	Aluminum	EV/ICE

Housing	supports the transmission and provides cooling		
Gear Sets	Transfers power between transmission and drivetrain, provides torque and speed conversion	Ferrous	EV/ICE
Shafts	Transfers power between transmission and drivetrain, provides torque and speed conversion	Ferrous	EV/ICE

Source: CRISIL MI&A

An electric vehicle additionally requires an electric motor and inverter integration with the transmission. Gearbox or transmission may be integrated with the electric motor. Regenerative braking system affects steering and transmission behavior.

Main differences between ICE and EV in drive transmission and steering systems:

ICE

- Transmission types: Manual, Automatic, Continuously Variable Transmission ("**CVT**"), Dual-Clutch Transmission ("**DCT**")
- Driveshaft and differential required to transmit power to wheels
- Complex gearbox with multiple gears and clutch packs

EV

- Transmission types: Single-Speed, Multi-Speed (2 to 3 gears), or Direct Drive (no transmission)
- Electric motor directly powers wheels or through a gearbox with fewer gears
- No clutch or gearbox oil required

Electrical and Electronics

Electrical and electronic components control and monitor various car functions, provide entertainment and information, and ensure safety and security.

Components	Description	Casting material	Engine
Battery Tray	Supports battery and provides structural support	Aluminum	ICE/EV
Alternator Housing	Encloses alternator and provides structural support	Aluminum	ICE/EV
Starter Motors Housing	Encloses starter motor and provides structural support	Aluminum	ICE/EV
Power Distribution Unit Housing	Encloses PDU and provides structural support	Aluminum	ICE/EV
Electronic Control Unit Housing	Encloses ECU and provides structural support	Aluminum	ICE/EV
Sensor Housings	Protects sensors from environmental factors	Aluminum	ICE/EV
Electronics Housings	Encloses various electronic components	Aluminum	EV
Transformer	Steps up/down voltage for electrical systems. voltage conversion and isolation. Provides	Ferrous	EV
Electromagnets	Used in various applications such as motors and actuators. provides magnetic fields for torque and motion	Ferrous	EV

Table: List of Electrical and Electronics components in a commercial vehicle

Components	Description
Starter Motor Housing	Contains starter motor and solenoid
Alternator Housings	Contains alternator and bearings

Table: List of electronic components in a 2W

Components	Description	Casting material	Engine
Electronic Housings	Encloses various electronic components. protects and provides cooling	Aluminum	EV/ICE
Battery	Monitors and controls battery performance.	Aluminum	EV/ICE

Management System	essential for battery health and safety		
Transformer	Steps up/down voltage for electrical systems. Provides voltage conversion and isolation	Ferrous	EV/ICE
Electromagnets	Used in various applications such as motors and actuators. provides magnetic fields for torque and motion	Ferrous	EV/ICE
Starter Motor	Starts the engine. essential for engine operation	Ferrous	EV/ICE

Source: CRISIL MI&A

The key differences between ICE and an EV w.r.to electronic components is as below

ICE

- Engine Control Unit: Manages engine performance and emissions
- Transmission Control Module: Controls transmission shifting
- Fuel injection system: Manages fuel flow to engine
- Ignition system: Generates spark for engine combustion

EV:

- Electric Motor Control Unit: Manages electric motor performance
- Power Electronics Controller: Controls electric motor and battery charging
- On-Board Charger: Charges battery from external power source
- Battery Management System: Monitors and controls battery health
- Thermal Management System: Regulates battery and motor temperature

Qualitative analysis and description of the types of Die Casting and trends towards preference for types

High-Pressure Die Casting:

High-pressure die-casting ("**HPDC**") is a vital process in the automotive parts die-casting market, driven by the demand for lightweight, high-performance components. This method involves forcing molten metal into a mold cavity under high pressure, resulting in precise, high-quality parts with excellent surface finish and structural integrity. HPDC is particularly suited for producing complex shapes and thin-walled sections, making it indispensable for modern automotive applications where reducing weight without compromising strength is crucial. The efficiency and precision of HPDC make it ideal for mass production, particularly in the automotive sector, where consistency and quality are paramount. The process enables the creation of lightweight yet durable components that contribute to improved fuel efficiency and reduced emissions.

HPDC continues to play a critical role in both traditional internal combustion engine manufacturing and the evolving landscape of electric vehicle production. The process's ability to meet stringent environmental and performance standards ensures its ongoing relevance and importance in the automotive sector.

The shift towards electric vehicles is a significant driver for the HPDC market. EVs require lightweight components to maximize battery efficiency and range, making aluminum and magnesium alloys commonly used in HPDC ideal for these applications. The process's ability to produce parts with tight tolerances and high mechanical properties is essential for critical EV components such as battery housings, motor housings, and structural parts. As automakers like Honda ramp up their EV production, the demand for high-quality die-cast parts is expected to grow substantially. In addition to the automotive sector, HPDC is also gaining traction in other industries, such as aerospace, defense, and medical devices. Companies like ADC Aerospace are leveraging their expertise in HPDC to cater to these high-growth markets, which demand precision and reliability.

Low-Pressure Die Casting

Low-pressure die-casting ("**LPDC**") is a popular process in the automotive parts die-casting market, used to produce complex parts with high accuracy and precision. The LPDC process is widely used to manufacture parts such as engine blocks, cylinder heads, and transmission cases. The LPDC market is a significant segment of the broader die-casting industry, driven by the automotive sector's demand for high-quality, durable components. LPDC is employed to produce a range of automotive parts, including wheels, engine blocks, and structural components. This process is known for its ability to create parts with superior mechanical properties and excellent surface finish, which are essential for automotive applications that require high strength and reliability.

Several factors are driving the growth of the LPDC process. One of the primary drivers is the increasing demand for lightweight materials in the automotive industry. As automakers strive to improve fuel efficiency and reduce emissions, there is a growing need for lightweight yet strong components. LPDC, which often uses aluminum alloys, is well-suited to meet this demand. Additionally, the rise of EVs is further fueling the need for lightweight components to extend battery life and improve overall vehicle efficiency. The LPDC process is more energy-efficient and produces fewer emissions compared to traditional casting methods. This makes it an attractive option for automakers looking to reduce their carbon footprint and comply with stringent environmental regulations. Additionally, the recyclability of aluminum and other metals used in LPDC contributes to the sustainability of this manufacturing process, further boosting its adoption in the automotive sector. Major automotive manufacturers are investing heavily in LPDC technology to enhance their production capabilities and meet the growing demand for lightweight, high-performance components. For instance, companies are establishing new LPDC facilities and upgrading existing ones to increase production capacity and improve process efficiency. These investments are crucial for maintaining a competitive edge in the rapidly evolving automotive industry.

Despite its advantages, the LPDC market faces several challenges. One of the main challenges is the high initial investment required for LPDC equipment and technology. However, the long-term benefits of improved part quality, reduced defects, and greater energy efficiency often outweigh the initial costs.

Gravity Die Casting

Gravity die casting is a process where molten metal is poured into a reusable mold solely under the influence of gravity. Unlike other die casting methods that use pressure to force the metal into the mold, gravity casting relies on the natural flow of the metal to fill the cavity.

Gravity die-casting ("**GDC**") is a widely used process in automotive parts die-casting market, employed to produce complex parts with high accuracy and precision. GDC is commonly used to manufacture parts such as engine blocks, cylinder heads, and transmission cases. The process involves pouring molten metal into a die cavity, allowing it to solidify, and then ejecting the casting.

Rota, a European wheel manufacturer, has recently introduced lighter flow-forged wheels using a gravity-casting process. The process involves casting virgin ingots of high-grade aluminum and heating and spinning them to form the wheel. This innovative approach combines elements of cast and forged wheel production, resulting in a lighter and stronger wheel. This development highlights the potential of GDC in producing high-performance parts for the automotive industry.

Sundaram-Clayton Ltd, a TVS Group company, has inaugurated its first overseas facility in South Carolina, United States, with a project investment of $90 million. This facility will produce high-pressure die-cast and gravity die-cast parts, with an initial production capacity of 1,000 tonnes in the first year and scaling up to 10,000 tonnes in five years. This expansion will establish SCL as a global player from India.

The use of advanced materials, such as high-grade aluminum, is also becoming more prevalent in GDC production, driving innovation and growth in the industry. As the automotive industry continues to shift towards electrification and sustainability, GDC is expected to play a critical role in producing lightweight and complex parts. With its ability to produce high-quality parts with precision and accuracy, GDC is well-positioned to meet the growing demand for hybrid and electric vehicle components.

Gravity die-casting is a popular process in automotive parts die-casting market due to its ability to produce high-quality castings with complex geometries. The process involves pouring molten metal into a die cavity, allowing it to solidify, and then ejecting the casting. Gravity die-casting is used to produce a wide range of automotive parts, including engine components, transmission parts, and body assemblies.

The growing demand for electric vehicles is driving the demand for gravity die-casting in automotive parts die-casting market. Electric vehicles require specialized components, such as battery enclosures and motor housings, which are produced using gravity die-casting. For example, companies like Alphacraft are developing large casings for EV batteries that will be shipped to the United States, highlighting the growing importance of gravity die-casting in the market. The process allows for the production of complex parts with high accuracy and precision, making it an ideal choice for automotive manufacturers.

Vacuum Die Casting

Vacuum die casting is a technique for manufacturing high volumes of identical precision parts, often with complex geometries. It is similar to traditional die casting but includes an added vacuum system that removes almost all air and gases from the die before the molten metal is introduced, ensuring higher quality and precision.

The use of vacuum die-casting has been driven by the need to produce lighter, stronger, and more efficient vehicle components. This is particularly relevant in the context of the regulations on vehicle emissions and fuel efficiency, which have pushed manufacturers to seek innovative solutions to reduce weight and improve performance.

In recent years, the adoption of vacuum die-casting has been bolstered by significant investments in technology and infrastructure. For instance, major European automotive manufacturers like BMW, Volkswagen, and Daimler have integrated vacuum die-casting into their production lines to produce critical components. Consumers' shifting preference to avail of new-energy vehicles and governments' aggressive focus to promote the usage of electric vehicles worldwide serve as the major determinants for automakers demanding a shift in technology that can help them integrate top-notch parts and components, which, in turn, positive impacts the growth vacuum die-casting segment.

Vacuum die-casting outcomes depend on variables like pressure and temperature to get the best outcomes. Manufacturers must adhere to temperature guidelines to preserve the alloy's metallurgical characteristics. The metal's low melting point is prevented from sublimation by adhering to standards and casting data. Metals can maintain their favorable characteristics when molted at the proper temperatures. If not, its metallurgical composition may alter, impacting the product's technical characteristics.

Though a sudden shift from pressure-die casting to vacuum may not be possible due to the higher productivity and ease in manufacturing automotive die-casting parts, which employ the pressure-die casting method, automakers are trying to deploy this casting in the process. However, the shift from other processes to the vacuum die-casting process is gradual and expected to increase during the forecast period as manufacturers try to embed this technology into the process.

The United States vacuum die-casting market plays a significant role in the country's manufacturing landscape, distinguished by its unique characteristics and advantages compared to traditional die-casting methods. Vacuum die-casting is a process where molten metal is injected into a mold cavity under a vacuum, reducing the amount of gas and air trapped within the metal. This results in components with fewer voids and porosities, enhancing their structural integrity and mechanical properties. Unlike pressure die-casting, which can suffer from gas entrapment leading to weaker parts, vacuum die-casting produces high-quality, dense parts ideal for demanding applications such as automotive and aerospace industries.

Tesla's presence in the United States has been a notable catalyst for the vacuum die-casting market. The EV manufacturer has been a pioneer in adopting advanced manufacturing techniques to streamline production and enhance the performance of its vehicles. Tesla's use of the Giga Press, a massive die-casting machine, has revolutionized the way car bodies are produced, significantly reducing the number of parts required and improving structural integrity. This innovation not only highlights the advantages of vacuum die-casting in producing large, complex components but also sets a benchmark for other automakers to follow. Die-cast manufacturers are increasingly leveraging Industry 4.0 technologies to optimize die-casting processes, improve quality control, and reduce production costs. Automated systems and real-time data analytics enable precise monitoring and adjustments during the casting process, ensuring consistent quality and efficiency. This integration of technology enhances the competitiveness of domestic die-casting companies on the global stage.

OVERVIEW OF THE KEY DEMAND DRIVERS, CHALLENGES AND TRENDS IN THE AUTOMOTIVE DIE CASTING

Qualitative analysis of Key Demand Drivers for Automotive Die Casting

Lightweighting

The automotive industry is experiencing a major shift toward lightweighting, driven by stricter regulations and the need for better fuel efficiency. Aluminum die casting has become a crucial technology in this shift due to its excellent strength-to-weight ratio and cost-effectiveness. There is strong growth outlook in aluminum die casting industry which is driven by light weighting and robust demand in end use industries.

Manufacturers are increasingly replacing heavier components like steel and iron with Aluminum die cast parts, reducing vehicle weight while maintaining structural strength. This is especially important for EVs, where lower weight enhances battery range and performance.

Reducing weight improves handling and maneuverability, leading to a better driving experience. As automakers focus more on sustainability and eco-friendliness, the use of Aluminum die casting in automotive parts is expected to grow significantly, boosting market expansion soon.

Electric Vehicle adoption

The rapid expansion of the EV market is transforming the automotive industry, with Aluminum die casting becoming crucial in fulfilling the rising need for lightweight, durable components. EVs require advanced engineering to enhance performance, range, and efficiency, making Aluminum die cast parts essential in their design. These components—such as motor housings and battery enclosures—benefit from Aluminum's exceptional qualities, including high precision, corrosion resistance, and thermal conductivity.

As automakers increase EV production in response to global targets for phasing out internal combustion engines, the demand for Aluminum die cast parts is growing. The shift towards electric vehicles highlights the need for sustainable manufacturing practices, further boosting Aluminum die casting's appeal due to its recyclability and low environmental impact. As a result, the automotive parts Aluminum die casting market is set to grow significantly, driven by the trend towards electrification.

Stringent Emission Norms

Stringent environmental regulations and growing concerns about sustainability present significant challenges for the automotive parts Aluminum die casting market. As global governments emphasize environmental protection, regulations on emissions, waste disposal, and material recycling are becoming stricter. Although Aluminum die casting is valued for its strength and cost-effectiveness, it raises environmental issues due to its energy-intensive processes and potential for waste.

Meeting these evolving regulations requires substantial investment in eco-friendly technologies, recycling infrastructure, and process innovations, which adds complexity and cost to the industry's growth. For market players, balancing regulatory compliance with sustainable practices is essential in navigating these challenges.

Cost Efficiency

Die casting often utilizes materials more effectively than other manufacturing methods. For instance, Aluminum die casting achieves high precision and minimal waste, which can lower material costs. These processes are generally quicker than alternatives like machining or injection molding. This increased speed can reduce production costs and lead times, enhancing overall cost efficiency.

Die casting often involves automation, reducing the need for manual labor and associated costs. Automation also enhances consistency and quality, decreasing costs related to defects and rework. High-quality die cast components often result in better performance and reliability in automotive applications, potentially reducing costs related to failures or warranty claims.

Technological Advancement

The adoption of digital technologies and Industry 4.0 principles is revolutionizing the automotive metal die casting industry. Smart manufacturing systems, data analytics, and real-time monitoring are being utilized to refine production processes, boost quality control, and minimize downtime. This shift toward digitalization enhances overall efficiency and enables more flexible and responsive manufacturing operations.

Qualitative analysis of Challenges in Automotive Die Casting

High Initial Investment

Die casting is a highly efficient and cost-effective method for mass-producing parts. However, the initial investment required for creating molds and starting the process can be substantial. This upfront cost can be a significant barrier for smaller businesses and startups, especially those with limited budgets. Die casting is best suited for large-scale production, where the cost efficiencies and savings increase with the volume of parts produced. As a result, some suppliers may not offer their services for smaller projects. It's crucial to carefully evaluate and calculate costs to determine whether die casting is a suitable option for the scale of your project.

Design Complexity

The growing demand for advanced and integrated automotive components is driving increased design complexity in metal die casting. As vehicles evolve to become smarter and more connected, die casting is adapting to produce parts with intricate designs that include features like cooling channels, lightweight structures, and integrated functionalities. This trend highlights the industry's focus on developing sophisticated and multifunctional components for contemporary vehicles.

Designing for reduced weight while maintaining strength involves precise control over wall thickness and the use of advanced materials. Modern parts frequently combine multiple functions within a single component, integrating structural support with fluid channels or electrical pathways.

Material Limitations

It is primarily suited for non-ferrous metals such as aluminum, zinc, magnesium, and occasionally copper alloys. It generally isn't used for ferrous metals like steel or iron due to their high melting points and potential damage to molds. Die casting requires materials that flow well when molten and solidify quickly to ensure precision. Materials with high viscosity or poor fluidity may not be appropriate for the process. The process involves injecting molten metal at high temperatures. Materials with very high melting points or those needing extremely high temperatures may not be suitable for die casting.

Certain materials need post-casting heat treatment to achieve desired properties. However, the high thermal stresses and potential for warping during this process can be problematic in die casting.

Qualitative analysis of Emerging Trends in Automotive Die Casting

Structural Die Casting

This is the process of creating complex components by forcing molten metal into molds that are called Dies under pressure. The technique involves injecting molten metal into a mold under high pressure, ensuring complete filling and rapid solidification to produce dense and strong parts. Structural die casting involves using die casting technology to create high-strength components that are crucial for structural applications. This method is ideal for parts that need to endure significant mechanical stress while maintaining precise dimensions and durability. Typically, materials such as aluminum, magnesium, and zinc alloys are used, offering a balance of strength, lightweight properties, and excellent casting qualities.

The process provides a high strength-to-weight ratio, excellent dimensional accuracy, and a superior surface finish, along with the capability for high-volume production with consistent quality. It is employed in various sectors, including automotive, aerospace, and industrial machinery, for components like engine blocks, transmission housings, and structural supports.

Sustainable Die Casting

Sustainable die casting aims to reduce the environmental impact of the die casting process while maintaining its effectiveness. Utilizing recyclable or highly recyclable materials like aluminum and zinc to minimize waste and lower the environmental footprint.

Adopting energy-efficient technologies and practices to cut down on energy consumption and greenhouse gas emissions. Enhancing processes to reduce scrap and defects, which helps decrease waste and the need for additional resources. Techniques like advanced mold design and precise casting controls contribute to this goal. Implementing systems for recycling and reusing materials and by-products from the die casting process, such as reclaiming sand from molds or recycling metal scrap.

3D Printing of Dies

3D auto die casting involves incorporating three-dimensional design and manufacturing technologies into the die casting process for automotive parts. This approach uses 3D modeling, simulation, and printing to enhance and streamline production. 3D technologies enable more complex and customized component designs that can incorporate multiple functions within a single part.

Advanced 3D modeling software enables precise design and visualization of complex parts, allowing for detailed and optimized component geometries before production. Simulation tools predict the behavior of molten metal during the die casting process, helping to identify potential issues such as air pockets or weak spots and allowing for design and process adjustments 3D technologies improve the precision and complexity of die-cast parts, leading to better performance and functionality. 3D auto die casting represents a significant advancement by merging digital tools with traditional die casting techniques to achieve greater precision, efficiency, and design flexibility in automotive manufacturing.

Overview of Threats and challenges for the automotive die casting segment

Electrification of Passenger and Commercial Vehicles

Declining Demand for Conventional Components: EVs contain fewer moving parts than ICE vehicles, leading to a decreased need for traditional die-cast parts like engine blocks and transmission housings.

Transition to EV-Specific Parts: Companies must adapt to producing components unique to EVs, such as battery housings and electric motor casings, which involves significant retooling and engineering costs.

Technological Progress and Automation

High Investment in New Technologies: Staying competitive requires significant investment in advanced manufacturing technologies like high-pressure die casting and automation.

Skilled Labor Shortage: The industry faces a shortage of skilled workers capable of operating and maintaining sophisticated machinery, necessitating extensive training and recruitment efforts.

Environmental Regulations and Sustainability

Stricter Emission Standards: Increasingly stringent environmental regulations necessitate the use of more sustainable materials and processes, driving up production costs.

Demand for Sustainable Practices: There is growing pressure to adopt sustainable manufacturing practices, such as material recycling and carbon footprint reduction, requiring investment in green technologies and processes.

Supply Chain Disruptions

Raw Material Shortages: The industry is highly dependent on raw materials like aluminum and magnesium, and supply chain disruptions can lead to shortages and increased costs.

Logistical Challenges: Global events like the COVID-19 pandemic have exposed vulnerabilities in the supply chain, affecting the timely delivery of components and raw materials.

Market Competition

Global Competitive Pressures: The die-casting market is extremely competitive, with significant competition from low-cost countries, putting pressure on prices and profit margins.

Need for Innovation: Continuous innovation is essential to offer higher quality, precision, and lightweight components, keeping companies ahead of competitors.

Economic Factors

Impact of Economic Downturns: The automotive industry is cyclical and sensitive to economic fluctuations, with downturns leading to reduced vehicle sales and a subsequent drop in demand for die-cast components.

Rising Costs: Increasing costs of labor, energy, and raw materials can significantly affect profit margins.

Adoption of New Materials

Shift to Alternative Materials: The development and use of new materials, such as high-strength plastics and composites, could reduce reliance on traditional die-cast metals, posing a threat to the industry.

Innovation in Materials: Companies need to keep up with material innovations and adapt their processes, which may require substantial investment in research and development.

Technological Disruption

Additive Manufacturing: The rise of additive manufacturing (3D printing) poses a potential threat by enabling rapid prototyping and production of complex components that might otherwise be made through die casting.

Digitalization: Embracing digital technologies, such as AI and IoT, is crucial for enhancing efficiency and product quality, necessitating significant investment in digital transformation.

ASSESSMENT OF THE CURRENT MARKET SIZE FOR AUTOMOTIVE DIE CASTING FOR INDIA

The automotive die casting sector in India is experiencing rapid expansion, propelled by burgeoning demand for lightweight vehicles, regulatory mandates, and technological progress. Presently (Fiscal 2024), the Indian automotive die casting OEM market for the commercial vehicles, passenger vehicles and two wheelers industry is valued at approximately ₹ 300 billion, with projections indicating a CAGR of 7% to 9% from Fiscal 25 to Fiscal 30, culminating in a market valuation of approximately ₹ 460 billion to ₹ 500 billion by that year. The primary drivers of demand within the industry include the rising popularity of passenger vehicles, and electric vehicles, alongside government regulations such as the Bharat Stage VI (BS-VI) emission standards driving commercial vehicle demand, and an increasing emphasis on sustainability and fuel efficiency.

The casting industry is moving towards greater adoption of sophisticated technologies, the expansion of production capacities, the diversification of product offerings, and the enhancement of quality standards. Furthermore, there is a noticeable shift towards the production of EV components, with numerous die-casting enterprises investing in novel technologies and expanding their production capabilities to cater to the escalating demand for EV parts.

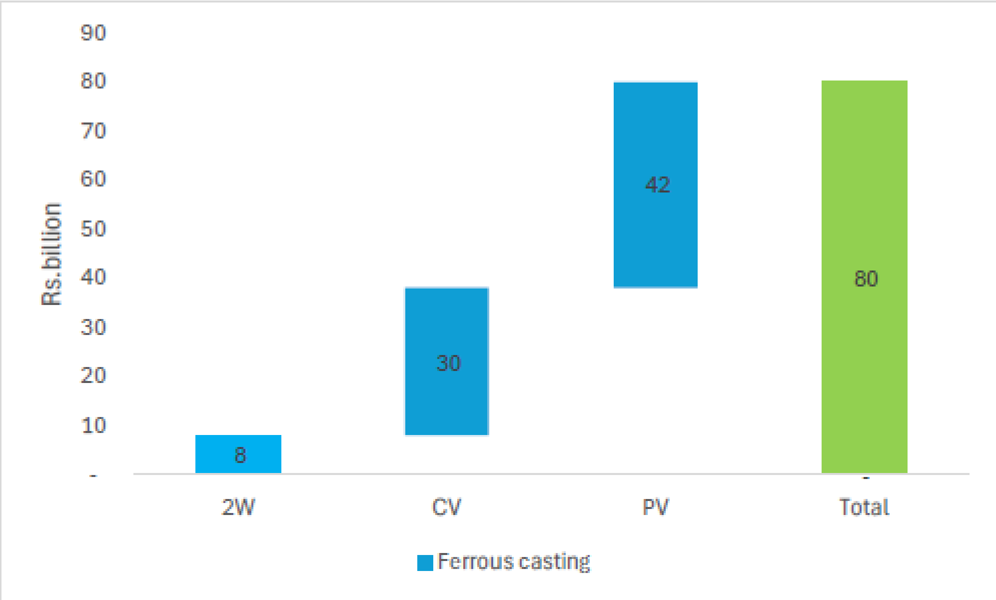
Figure: Die-casting industry: OEM market size in value terms as on Fiscal 2024 (₹ billion)

Source: CRISIL MI&A
Note: The above market size covers two wheelers, passenger vehicles and commercial vehicles die casting

The aggregate market size, estimated at approximately ₹ 300 billion, is predominantly divided into aluminum casting, accounting for 73%, and Ferrous casting, representing the remaining 27%. Despite the tonnage being nearly equivalent, with each category ranging from 0.5 million metric tons, the market share of aluminum casting is notably higher. This can be attributed to the superior realization rates of aluminum cast components, which are nearly three times that of ferrous cast components. Factors contributing to this include the elevated cost of raw materials and the greater value added through aluminum casting processes.

Within the realm of ferrous casting, the PV sector stands out with the highest tonnage contribution at 32%, followed closely by the CV sector at 23%. This trend can be explained by the higher ferrous intensity observed in MHCVs, which are characterized by more complex and heavier components. Conversely, LCVs, which typically have a Gross Vehicle Weight ranging from 3.5 to 7 tonnes, feature simpler and lighter designs. Hence LCVs often incorporate aluminum components in their design, in comparison to ferrous materials used in MHCVs.

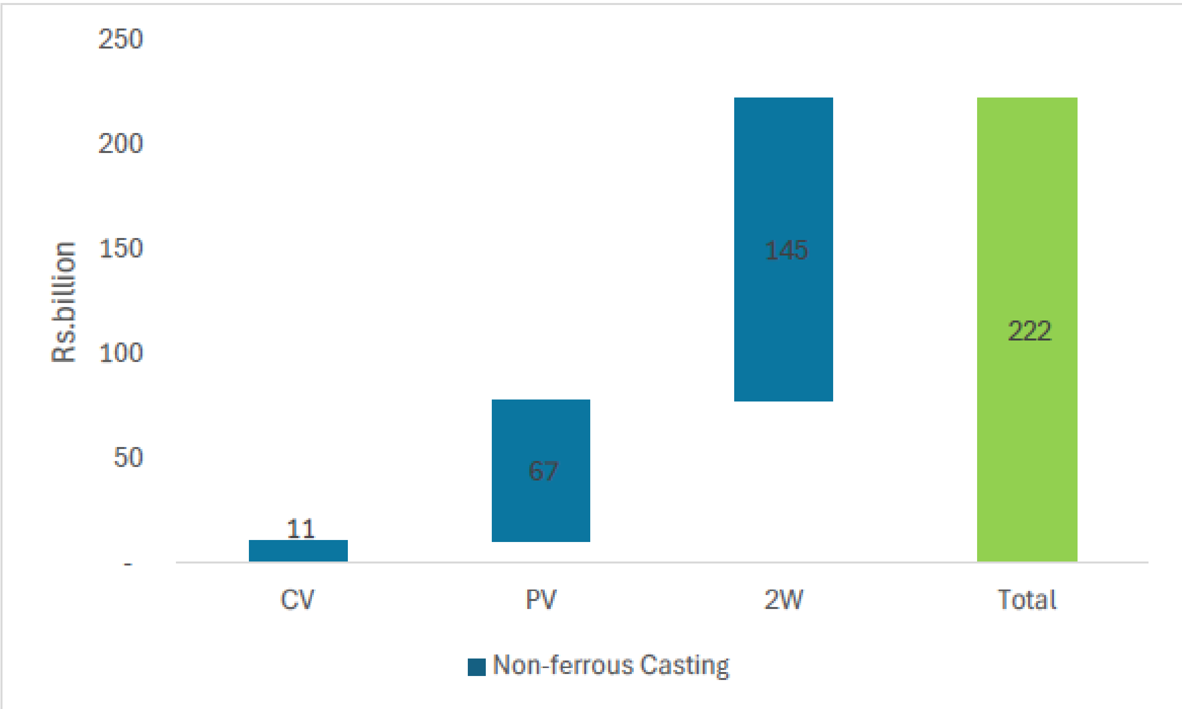
Figure: Contribution of different vehicle segments to ferrous die-casting market (Fiscal 2024)



Source: CRISIL MI&A

The ferrous die casting sector within India is also experiencing substantial expansion within the automotive industry, propelled by a surge in demand for heavy-duty vehicles, regulatory mandates, and technological progress. The present market value of ferrous die casting within the automotive sector in India stands at ₹ 80 billion as of Fiscal 2024. The primary drivers of demand for ferrous die casting in the automotive sector encompass the rising demand for heavy-duty vehicles, regulatory requirements such as the Bharat Stage VI (BS-VI) emission standards, technological innovations, and the increasing market share of luxury vehicles.

Figure: Contribution of various vehicle segments to non-ferrous casting



Source: CRISIL MI&A

The aluminum die casting sector within India is experiencing substantial expansion within the automotive industry. Indian automakers are progressively adopting aluminum alloys, such as ADC12 and A380, for die casting applications. There is a growing emphasis on sustainable practices within the aluminum die casting sector, including recycling and energy efficiency. Die casting enterprises are expanding their product portfolio to cater to a diverse range of automotive sectors, extending beyond passenger vehicles and commercial vehicles to include electric vehicles as well.

Outlook of Automotive diecasting market

India emerged as a leading nation in vehicle manufacturing globally. In the Fiscal 2024, the combined output of two-wheelers, commercial vehicles, and passenger cars in India reached approximately 36 million units. As a result, there's been increasing demand for castings. To meet this rising demand for metal castings in India, foundries are investing in advanced technology and machinery. The expected advantages from these investments include reduced energy consumption, improved manufacturing efficiency, higher usage rates, and increased profit margins for Indian foundries.

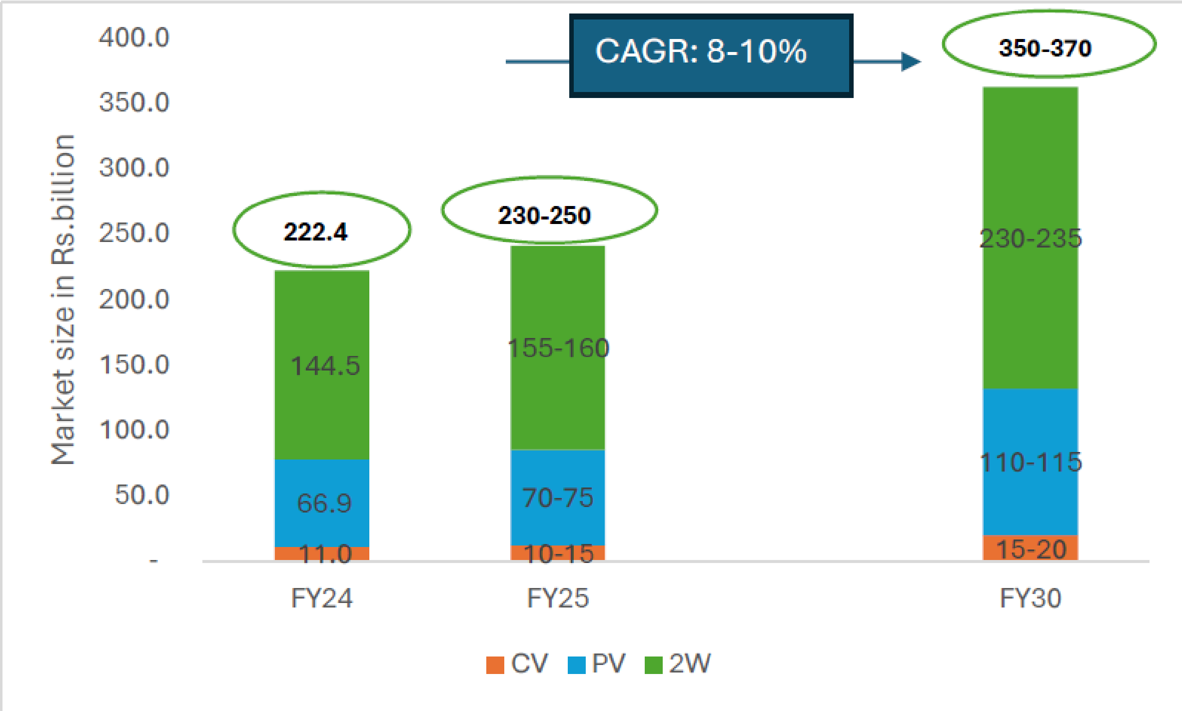
According to the latest World Casting Census (January 2023), China, India, and the United States are the top three countries in global casting production, with production increasing after a two-year pause caused by COVID-19. China reported casting production of 54.05 million tons, followed by India as the second-largest producer with 12.49 million tons.

According to the Indian Foundry Association (IFA), India is home to approximately 5,000 foundries, with a segment of 3,500 units being small-scale units and another segment of 1,500 being medium-scale units. These foundries operate with lower production capacities, typically producing less than 10,000 metric tons annually, and account for 70% to 80% of the overall market share within the Indian foundry industry. They predominantly rely on manual processes and have limited integration of advanced technologies. They have a narrow product range, with a focus on simple castings. In contrast, larger, organized entities in the casting sector demonstrate a higher degree of technological adoption, including automation and robotics, and offer a more diverse product portfolio, including complex castings and additional value-added services. Micro, Small, and Medium Enterprises cater to local customers and face challenges in accessing capital, technology, and skilled labor. On the other hand, larger entities have the capacity to expand into new markets, diversify their product offerings, and are embracing Industry 4.0 technologies. Organized casting players manage large-scale operations, maintaining quality consistency, and adapting to changing market demands. Their typical clientele includes large OEMs, multinational corporations, and government contracts

Some of the top aluminum casting players are Rico Auto Industries, Endurance Technologies, Minda Corporation, Bharat Forge, Sundaram Clayton. Some of the large ferrous casting players are Minda Corporation, Mahindra CIE Automotive, Kirloskar Ferrous Industries, Electrosteel Castings, Tata Metaliks etc who primary source of revenue is from automotive die-casting despite supplying to other industries. A significant number of organized entities within these industries are strategically broadening their production capabilities towards electric and hybrid vehicle models.

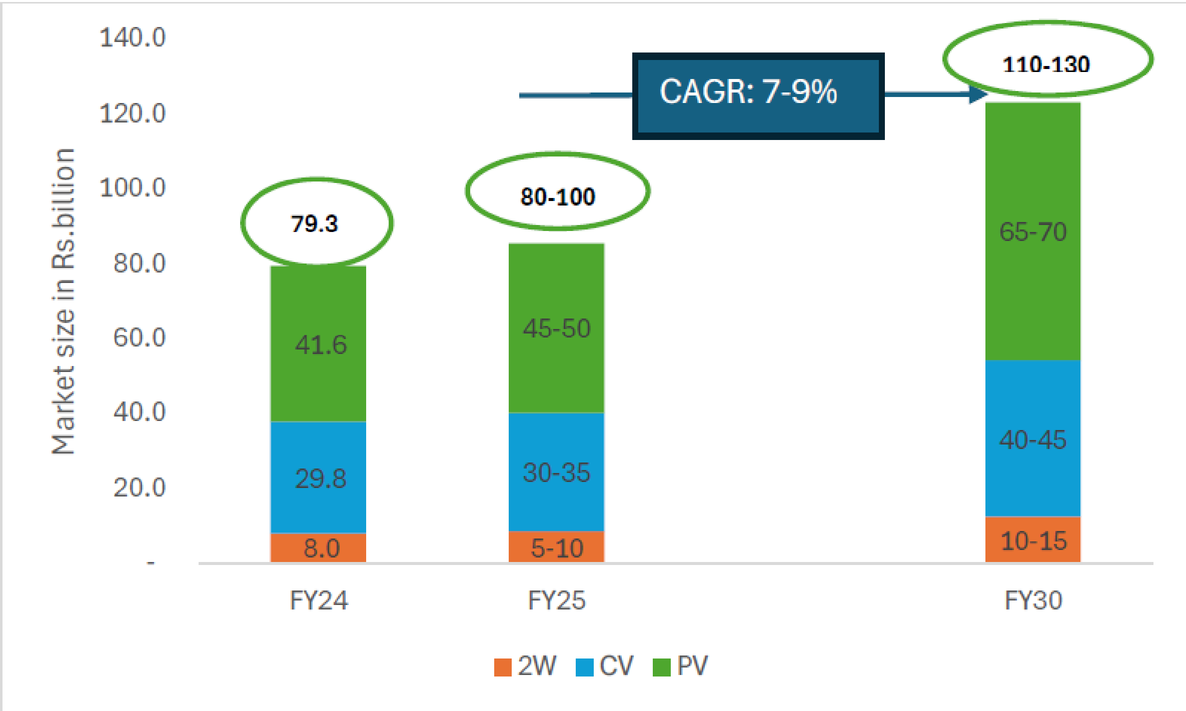
The ferrous die-casting sector catering to OEMs focusing on 2Ws, PVs, and CVs is projected to experience a CAGR between 7% to 9% from Fiscal 2025 to 2030, culminating in a market size estimated at ₹ 110 billion to ₹ 130 billion. The aluminum die-casting sector is anticipated to ascend to a size of ₹ 350 billion to ₹ 370 billion by the Fiscal 2030, with a slightly accelerated CAGR of 8% to 10%, attributed to the expected uptick in the electrification of buses, LCVs, two-wheelers, and the burgeoning demand for lightweighting technologies.

Figure: Outlook for Market size of Aluminum die-casting industry



Source: CRISIL MI&A

Figure: Outlook for Market size of Ferrous die-casting industry



Source: CRISIL MI&A

In India, the demand for ferrous castings is poised to experience continued growth, driven by the commercial vehicles sector and the high-end earthmoving equipment industry. Many OEMs still rely on imports for castings, presenting a lucrative opportunity for domestic casting enterprises to fill this gap. The components of castings are expected to have a lifespan of at least seven to ten years. Consequently, many OEM customers in India are collaborating with international entities to not only establish manufacturing operations within the country but also to position India as a global castings' hub. This trend has led to an increase in joint ventures between OEMs and casting players aimed at meeting both domestic and international demand. Furthermore, companies are focusing on expanding their operations in response to emerging trends in the automotive sector, by enhancing the machining value of casted components.

Leading entities within the market are adopting a variety of strategies to maintain their competitive edge, including strategic alliances, partnerships, mergers and acquisitions, geographical expansion, and the introduction of new products or services. For example, in June 2022, Brakes India and Volvo Group collaborated to produce eco-friendly green iron castings at Brakes India’s foundries, aiming to minimize their environmental impact. Kirloskar Ferrous Industries Limited, one of the manufacturers of castings and pig iron in India, has announced the acquisition of Oliver Engineering Pvt. Ltd. Oliver Engineering specializes in ferrous casting and machining.

Europe Die casting market size and outlook

Ferrous castings

Ferrous segment of the market was valued at USD 80 million in 2023, and it is expected to reach USD 90 million by 2029, registering a CAGR of 1% to 3% during the forecast period (2025 to 2029).

The European automotive parts die-casting market is a dynamic and essential segment of the region’s manufacturing industry, with iron playing a significant role. Iron, particularly grey and ductile iron, is widely used for producing various automotive components due to its excellent mechanical properties, cost-effectiveness, and ability to withstand high stress. As the automotive industry continues to innovate and evolve, the demand for iron die-casting remains strong, driven by the need for durable and efficient vehicle parts. In July 2023, the Procast foundry group, headquartered in Gütersloh, Germany, made a strategic move to expand its operations in Europe by acquiring the Spanish foundry Fundiciones Garbi, S.A. This acquisition allows Procast to enhance its service offerings, which include construction, design, casting, machining, coating, and assembly of cast iron components. Such expansions indicate the robust demand and growth potential in the iron die-casting sector within Europe. By integrating Fundiciones Garbi’s capabilities, Procast aims to better serve the increasing needs of the automotive industry, which relies heavily on high-quality cast iron parts.

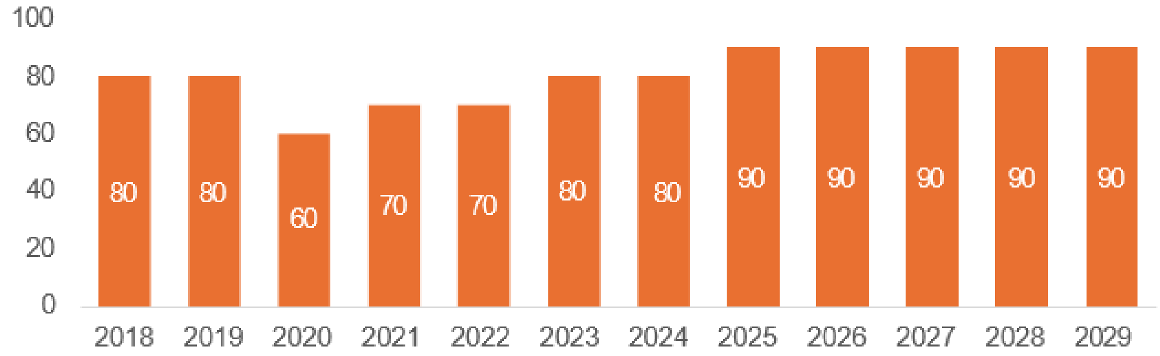
Iron die-casting’s significance in the automotive sector is underscored by the operations of companies like Draxton. In July 2023, Draxton, a global manufacturer of cast iron and aluminum components, implemented the Monitizer DISCOVER IIoT solution at its foundry in Barcelona, Spain.

The price dynamics of grey cast iron in Europe have been influenced by several factors, particularly the rising costs of feedstock such as iron ore and coal. In September 2023, the European spot market saw an increase in the price of grey cast iron, driven by higher feedstock prices. The supply chain challenges, exacerbated by reduced exports from major European countries like Ukraine and Russia, have tightened the availability of grey cast iron. Despite these challenges, the demand from the automotive sector remains robust, particularly due to the growth of EV manufacturing. The steady demand for high-quality iron components in EVs underscores the material's importance in the evolving automotive landscape.

The rising global demand for feedstock has prompted mills to increase the prices of grey cast iron. This trend reflects the broader economic pressures and the necessity for manufacturers to adapt to changing market conditions. The automotive industry, being a significant consumer of grey cast iron, has had to navigate these price fluctuations while maintaining production levels. The ongoing exploration and export of pig iron from South American mines have provided some relief, yet the overall market remains sensitive to global supply and demand dynamics.

Fig: Europe Automotive Parts Die-Casting Market, Revenue In USD Million, By Material Type, Iron, 2018 to 2029

CAGR (2024 to 2029): 1% to 3%



Source: Mordor Intelligence

Aluminum Die-casting

The aluminum die-casting segment of the market was valued at USD 9,530 million in 2023, and it is expected to reach USD 14,020 million by 2029, registering a CAGR of 5% to 7% during the forecast period.

The United States automotive parts die-casting market is witnessing a significant shift towards the use of aluminum, driven by the growing emphasis on reducing vehicle weight to minimize carbon emissions. As the Department of Energy notes, a 10% reduction in vehicle weight can lead to a 6% to 8% improvement in fuel economy. This has prompted automotive manufacturers to increasingly adopt lightweight materials like aluminum in their designs. In July 2023, Shape Corp., a prominent tier-1 automotive supplier, collaborated with Novelis Inc., a leading aluminum manufacturer and recycler, to develop a range of roll-formed aluminum components. These components, including rockers, battery tray cross members, roof bows, and structural parts, showcase the potential of aluminum in die-casting applications.

Aluminum's high strength-to-weight ratio and corrosion-resistant properties make it an attractive material for automotive parts, capable of withstanding harsh environmental conditions.

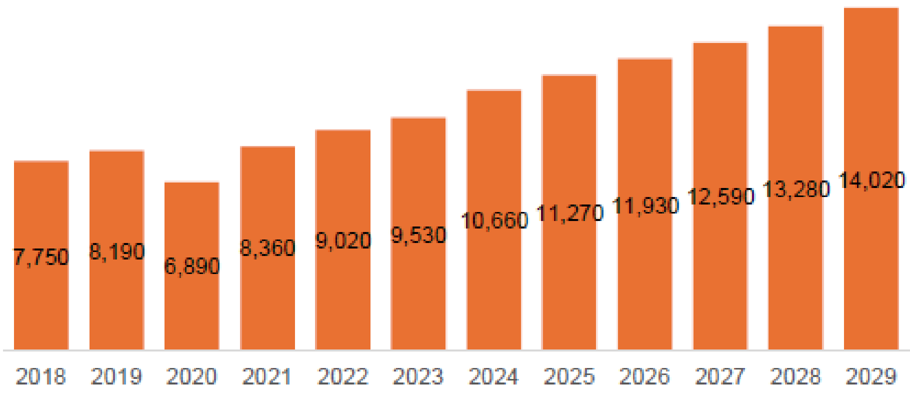
The growing demand for EVs is another significant factor driving the adoption of aluminum in die-casting. As governments worldwide invest heavily in promoting EV adoption and improving charging infrastructure, the market for electric vehicles is expanding rapidly. According to the International Energy Agency, global new battery electric vehicle sales reached 7.3 metric tons in 2022, representing a 58.6% year-over-year growth. This surge in EV demand is driving the need for lightweight components, which aluminum is well-positioned to supply.

Aluminum's benefits in producing lightweight components make it an essential material in the die-casting process. Its high strength-to-weight ratio enables the creation of robust yet lightweight parts, reducing overall vehicle weight and enhancing fuel efficiency. Moreover, aluminum's corrosion-resistant properties ensure durability and longevity in harsh environmental conditions, making it an ideal material for automotive applications.

However, the industry faces challenges in the form of fluctuating aluminum prices, which can increase manufacturing costs. According to the World Bank, the average price of aluminum reached USD 2,705 per metric ton in 2022, representing a 9.38% year-over-year growth. This volatility can impact the profitability of die-casting operations and influence the adoption of aluminum in the automotive industry.

Figure: United States Automotive Parts Die-Casting Market, Revenue In USD Million, By Material Type, Aluminum, 2018 to 2029

CAGR (2024 to 2029): 5.62%

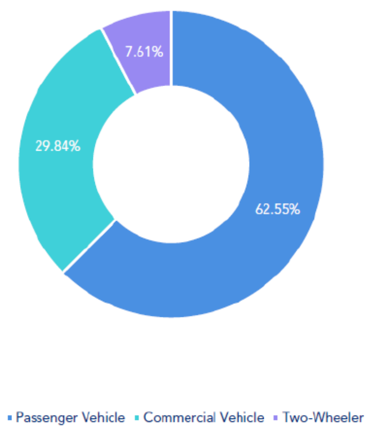


Source: Mordor Intelligence

Market size by Vehicle Type

Passenger Vehicles

Figure: United States Automotive Parts Die-Casting Market, Revenue Share (%), By Vehicle Type, 2023



The Passenger Vehicle segment of the market was valued at USD 7,300 Million in 2023, and it is expected to reach approximately USD 10,320 Million by 2029, registering a CAGR of 4% to 6% during the forecast period.

The passenger cars segment is a significant component of the United States automotive parts die-casting market. This segment demands high-quality, durable, and lightweight components to meet the performance, safety, and efficiency standards set by automakers and regulatory bodies. Die-casting plays a critical role in producing various parts for passenger cars, such as engine blocks, transmission housings, structural components, and intricate parts for interior and exterior applications. The process is favored for its ability to create complex shapes with high precision and excellent mechanical properties, which are essential for the demanding requirements of modern passenger cars.

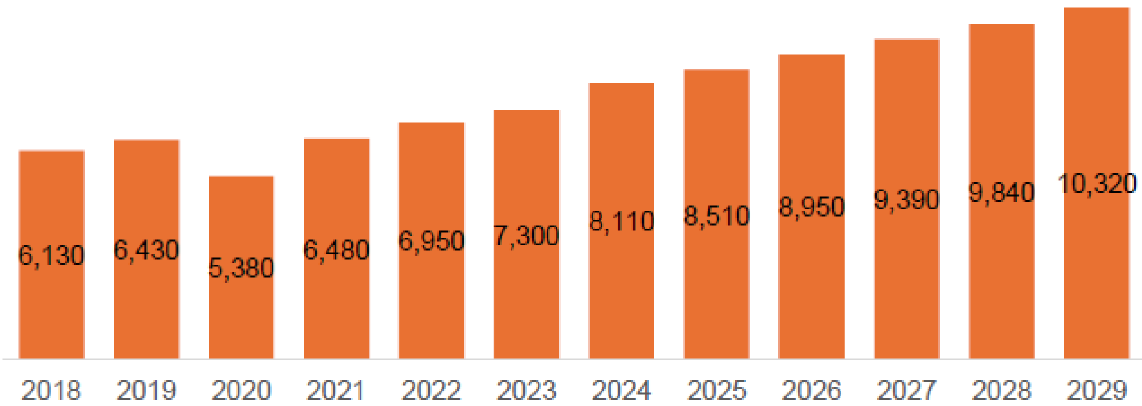
Ryobi Die Casting's announcement in June 2024 of a USD 50 million investment in its Irapauto, Mexico facility reflects the broader trend of increasing die-casting capacity to support both traditional and electric vehicle markets. While this investment is primarily aimed at the anticipated demand for electric vehicles, the technology and capacity enhancements also benefit the passenger car segment. The new high-pressure die-cast machines and expanded manufacturing space, scheduled for completion in April 2025, will enable Ryobi to produce more complex and larger components, which are increasingly required by automakers for both ICE and EV passenger cars.

The passenger car market in the United States is also influenced by the introduction of new vehicle models and the continuous innovation by automakers. For example, Ford's announcement in July 2024 of the new 2025 Ford Focus, designed as a Mustang-inspired hatch, signals ongoing investment in the passenger car segment. New models like this often require advanced die-cast components to achieve their performance and aesthetic goals. The development of such models stimulates demand for die-casting technology capable of producing lightweight yet strong parts that contribute to overall vehicle efficiency and performance.

Die-casting's role in the passenger car segment extends to the production of both structural and non-structural components. Structural components, such as engine blocks and transmission housings, benefit from die-casting's ability to create strong, lightweight parts that enhance vehicle performance and fuel efficiency. Non-structural components, including various brackets, mounts, and cosmetic parts, also utilize die-casting for its precision and cost-effectiveness. The passenger car segment's diverse requirements ensure that die-casting remains a versatile and vital manufacturing process.

Figure: United States Automotive Parts Die-Casting Market, Revenue In USD Million, By Vehicle Type, Passenger Vehicle, 2018 to 2029

CAGR (2024 to 2029): 4% to 6%



Source: Mordor Intelligence

Commercial Vehicles

The Commercial Vehicle segment of the market was valued at USD 3,480 Million in 2023, and it is expected to reach approximately USD 5,440 Million by 2029, registering a CAGR of 6.70% during the forecast period.

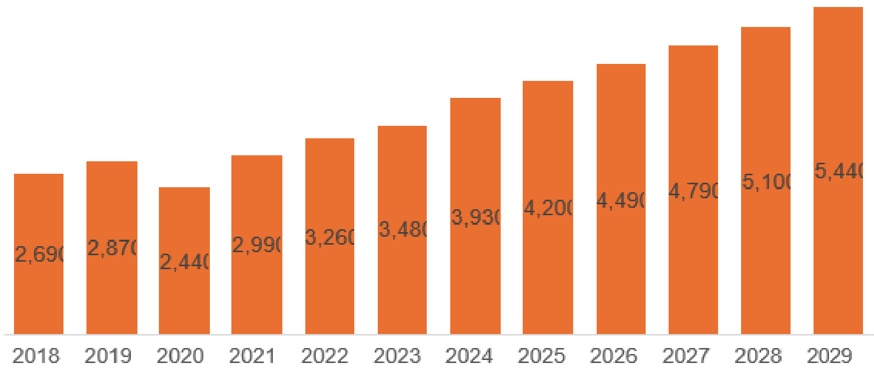
The commercial vehicle segment in the United States automotive parts die-casting market is a critical area of focus due to the increasing demand for durable, lightweight components. Commercial vehicles, which include heavy-duty trucks, medium-duty trucks, and various types of service and delivery vehicles, require parts that can withstand rigorous use and high stress while maintaining performance and efficiency. Die-casting technology is essential in producing these components, offering the ability to manufacture complex and robust parts that are both lightweight and durable. SAG México is a prominent Tier 1 supplier in the North American market, with facilities in Tlalnepantla and Monterrey. The company employs over 470 people and specializes in the production of lightweight aluminum components such as fuel tanks, compressed air tanks, and air reservoirs for heavy and medium-duty trucks, as well as ICE SUVs. Their recent sales of approximately 80 million euros underscore the significance of die-casting in producing high-quality parts for the commercial vehicle sector. The lightweight nature of these aluminum parts contributes to overall vehicle efficiency, which is crucial for commercial vehicles that prioritize payload capacity and fuel economy.

The technological advancements in die-casting are also highlighted by Tesla's commissioning of a 9,000-ton die-casting press from IDRA Group in October 2022. This mammoth piece of equipment represents a significant leap in die-casting capabilities, allowing for the production of large, intricate parts that are integral to the structural integrity and performance of commercial vehicles. The successful assembly and testing of this press, now operational in the United States, demonstrates the industry's commitment to pushing the boundaries of manufacturing technology to meet the growing demands of the commercial vehicle market.

Commercial vehicles are subjected to harsher operating conditions compared to passenger vehicles, requiring parts that can endure heavy loads, frequent use, and challenging environments. Die-casting provides a manufacturing solution that ensures these components are not only strong but also lightweight, which is essential for improving fuel efficiency and reducing emissions. The production of engine blocks, transmission housings, and various other structural parts through die-casting helps commercial vehicles achieve the necessary durability and performance standards.

Figure: United States Automotive Parts Die-Casting Market, Revenue In USD Million, By Vehicle Type, Commercial Vehicle, 2018 to 2029

CAGR (2024 to 2029): 6% to 8%



Source: Mordor Intelligence

Aluminum diecasting

The Aluminum segment of the market was valued at USD 10,970 million in 2023, and it is expected to reach USD 16,030 million by 2029, registering a CAGR of 4% to 6% during the forecast period (2024 to 2029).

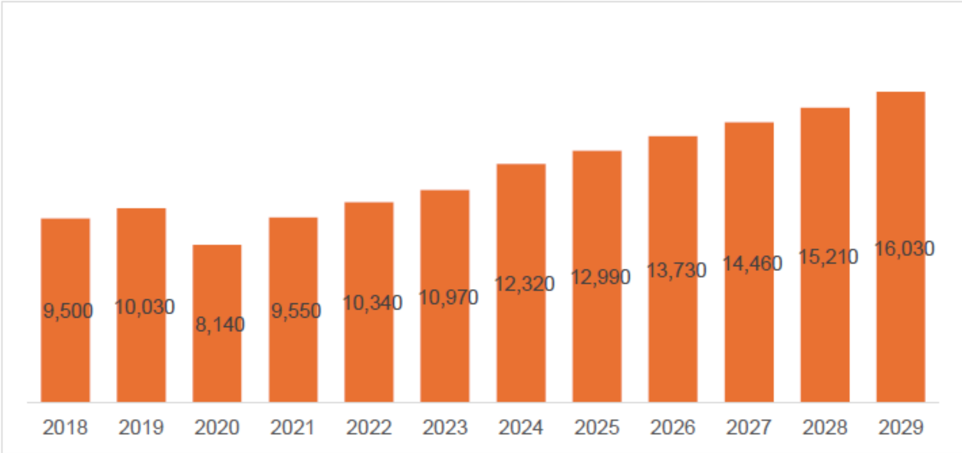
The European automotive parts die-casting market has seen a significant shift towards the use of aluminum materials, driven by the material's advantageous properties such as lightweight, corrosion resistance, and recyclability. Aluminum die-casting is especially favored in the production of automotive components like engine blocks, transmission housings, and structural parts, contributing to the overall reduction of vehicle weight and enhancement of fuel efficiency. As the automotive industry continues to evolve towards more sustainable and efficient vehicles, the demand for aluminum die-casting in Europe is expected to rise. In October 2023, Idra, an Italian aluminum casting machine maker and a supplier to Tesla, expanded its customer base to include Ford, Hyundai, and another European company. This development underscores the increasing interest among automakers in utilizing aluminum die-casting techniques.

The inclusion of these major automotive manufacturers highlights the industry's recognition of aluminum's benefits in producing high-quality, lightweight components that meet the stringent performance and safety standards required in modern vehicles. Idra's growth reflects the broader trend of automakers investing in advanced manufacturing technologies to enhance their production capabilities and achieve competitive advantages. In September 2023, Norway-based aluminum producer Norsk Hydro commenced operations of its new HyForge casting line at its recycled-content aluminum casting plant in Rackwitz, Germany. This USD 42.5 million investment is a strategic move to support the automotive industry's push towards decarbonization by significantly increasing the use of recycled, post- consumer aluminum scrap. Norsk Hydro's initiative demonstrates a commitment to sustainability by leveraging recycled materials to produce high-quality aluminum for automotive applications. This aligns with the industry's broader goals of reducing carbon footprints and promoting circular economy practices.

Aluminum's ability to be recycled without losing its properties makes it an ideal material for the automotive sector, where manufacturers are increasingly focused on reducing environmental impact. The establishment of new casting facilities and the expansion of supplier networks highlight the dynamic nature of the aluminum die-casting market in Europe, which is driven by technological advancements and a commitment to sustainability.

Figure: Europe Automotive Parts Die-Casting Market, Revenue In USD Million, By Material Type, Aluminum, 2018 to 2029

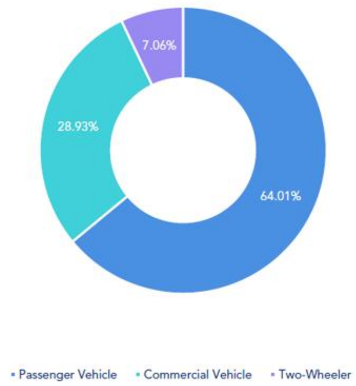
CAGR (2024 to 2029): 4% to 6%



Source: Mordor Intelligence

Market size by Vehicle Type

Figure: Europe Automotive Parts Die-Casting Market, Revenue Share (%), By Vehicle Type, 2023



Source: Mordor Intelligence

Passenger vehicles

The passenger vehicle segment of the market was valued at USD 8,630 million in 2023, and it is expected to reach USD 12,190 million by 2029, registering a CAGR of 4% to 6% during the forecast period.

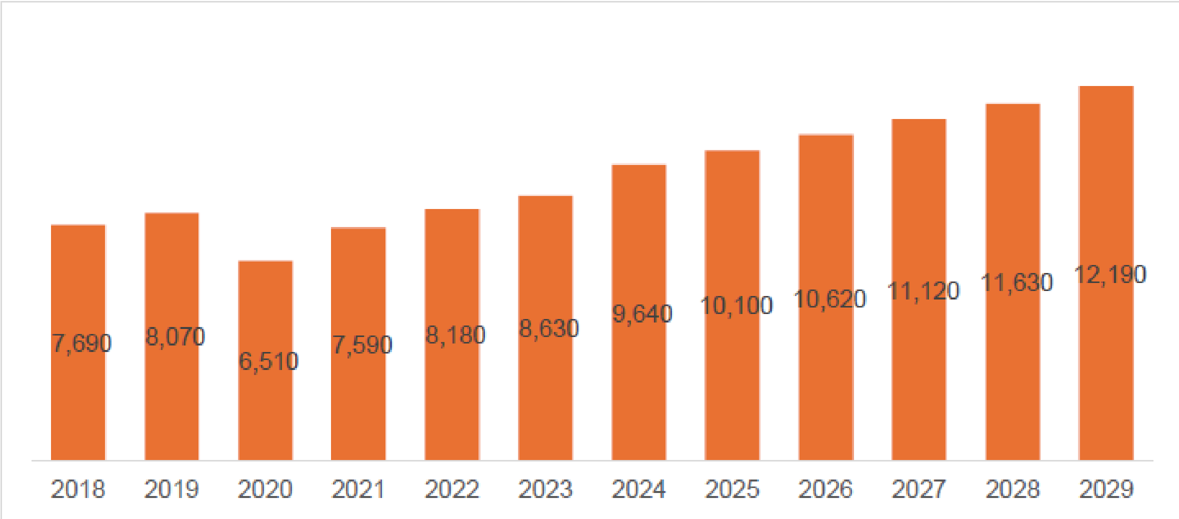
One of the key trends in the passenger cars segment is the increasing emphasis on innovation and advanced manufacturing technologies. BMW Group's Additive Manufacturing Campus in Germany is at the forefront of this transformation. In April 2024, the campus will utilize Wire Arc Additive Manufacturing technology, which employs Directed Energy Deposition to produce vehicle components and tools. This approach leverages aluminum to enhance manufacturing efficiency and sustainability, showcasing the industry's commitment to adopting cutting-edge technologies to improve the production of passenger car parts.

Another notable development in the passenger cars segment is the growing interest from international manufacturers in the European market. In February 2024, BYD Co., a prominent Chinese automaker, was contacted by the Italian government as part of efforts to attract additional car manufacturers to the country. This initiative reflects the strategic importance of expanding manufacturing capabilities in Europe and highlights the competitive landscape of the passenger cars market. BYD's potential entry into the European market could influence the segment's dynamics and increase competition and innovation. The production of die-cast components for passenger cars involves various parts that must meet stringent performance and safety standards. Die-casting technology allows for the production of high-strength, lightweight components crucial for the efficiency and safety of passenger vehicles. As the automotive industry continues to evolve, manufacturers are increasingly focusing on integrating advanced materials and techniques to enhance the performance and reliability of these components.

Integrating sustainability initiatives into the passenger cars segment also drives changes in die-casting practices. Manufacturers are exploring ways to reduce waste, lower energy consumption, and improve the environmental impact of production processes. Die-casting's efficiency in material usage and its ability to produce durable components contribute to these sustainability goals, aligning with the broader industry shift towards more environmentally friendly practices. Therefore, the passenger cars segment in the European automotive parts die-casting market is characterized by ongoing innovation, investment, and a focus on advanced manufacturing technologies.

Figure: Europe Automotive Parts Die-Casting Market, Revenue In USD Million, By Vehicle Type, Passenger Vehicle, 2018 to 2029

CAGR (2024 to 2029): 4% to 6%



Source: Mordor Intelligence

Commercial Vehicles

The commercial vehicle segment of the market was valued at USD 3,900 million in 2023, and it is expected to reach USD 6,080 million by 2029, registering a CAGR of 6% to 8% during the forecast period.

The commercial vehicle segment is vital in the European automotive parts die-casting market. These vehicles, including trucks, buses, and trailers, rely heavily on die-cast components due to their unique demands. Commercial vehicles operate under demanding conditions, often carrying heavy loads and traveling long distances. Die-cast components, particularly those made from aluminum alloys, offer the perfect balance of strength, weight, and affordability. This translates to robust engine blocks, chassis parts, and other structural elements that can withstand rigorous use.

While durability is crucial, weight reduction is becoming increasingly important for commercial vehicles. Regulations aimed at improving fuel efficiency and reducing emissions drive the demand for lightweight components. Die-casting proves its value again by enabling the production of complex, hollow shapes that maintain strength while minimizing weight.

The commercial vehicle segment encompasses various applications, from heavy-duty trucks to light commercial vans. Die-casting caters to this diversity by offering a variety of components. Engine blocks, transmission housings, suspension components, and brake calipers are examples of the essential parts produced through die-casting for commercial vehicles. While die-casting remains the dominant manufacturing process for commercial vehicle parts, recent advancements in 3D printing are creating a niche for themselves. As seen in the January 2024 partnership between MAN Truck & Bus and Replique GmbH, 3D printing offers the potential for on-demand production of spare parts, improving service efficiency and reducing costs. However, the technology is still early for large-scale commercial vehicle parts production.

The commercial vehicle segment in the European automotive parts die-casting market is expected to experience steady growth. As the industry focuses on increased efficiency, reduced emissions, and potentially the adoption of electric powertrains, die-casting will play a crucial role in enabling the production of robust, lightweight, and cost-effective commercial vehicles.

The recent extension of the agreement between Jaya Hind Industries and KSATAG in December 2023 highlights an exciting trend. The expanded scope to cover new parts for electric vehicles and structural components indicates a growing willingness in the die-casting industry to adapt and cater to the evolving needs of the commercial vehicle landscape. This adaptability will be crucial for the segment to maintain its prominent position in the European market.

KEY PLAYER PROFILES

Sundaram-Clayton Limited

<table>
<tr><th>Key facts</th><th>Brief profile</th></tr>
<tr><td>Year of incorporation: 1962
HQ: Chennai, Tamil Nadu</td><td>Sundaram clayton is one of the leading manufacturers of aluminium die castings focused on commercial vehicles and passenger vehicles. The die casting business [of erstwhile Sundaram-Clayton Limited (now known as TVS Holdings Limited)] has been in operation since 1962 and has achieved many milestones and emerged as one of the leading solution providers in machined and sub-assembled aluminium castings. SCL clientele include world leading OEMs and tier-one auto suppliers. Part of the TVS Group, which holds a prominent position in the manufacturing of two-wheelers, auto components and computer peripherals, along with being involved in the businesses of distribution of heavy commercial vehicles, passenger cars, finance, and insurance. SCL would be one of the top 3 suppliers of aluminium castings in commercial vehicles segment in India with approximately 62%* of its revenue coming from MHCV segment as of Fiscal 2024.

Capacity:

1. SCL is one of the few companies having large die-casting capacities with 4 manufacturing plants in India and 1 in USA.
2. Domestic capacity: 74,000 MT/annum
3. US die-casting capacity: 10,000 MT/annum

Manufacturing Facilities:

1. Padi, Chennai
2. MWC, Chennai
3. Hosur, Bengaluru
4. Oragadam, Chennai
5. Ridgeville, South Carolina, USA

Subsidiaries

1. Sundaram Holding USA Inc., USA
2. Sundaram-Clayton (USA) Limited, USA
3. Sundaram-Clayton GmbH, Germany
4. Global presence: Strong global presence with approximately 44.7% of Fiscal 2024 revenue from exports. approximately 30% to 40% of the products are exported to USA, Sweden and Germany, while the rest are locally consumed.

*Source: From Company's Annual report Fiscal 2024. https://www.sundaram-clayton.com/Investor/2024/Reports/AnnualReport2024.pdf Page 14</td></tr>
</table>

Source: Company reports, CRISIL MI&A Consulting

CIE Aluminum Casting India Limited

Key facts	Brief profile
Year of incorporation: 1985 HQ: Pune, Maharashtra	CIE acquired the business of Aurangabad Electricals Limited through the acquisition of 100% of its equity shares in 2019. Market-leading manufacturer of automotive aluminum die casting products based in Aurangabad, India, with five manufacturing facilities across Aurangabad, Pune and Pantnagar. Manufactures a variety of body, brake, transmission and engine parts through high pressure die casting as well as gravity die casting processes. It is also has capabilities for machining, heat treatment, powder coating, assembly and leak testing, along with a modern tool room. **Capacity:** 1. Gravity Die Cast - 5,500 MT/ year 2. High Pressure Die Casting - 23,000 MT/ year **Manufacturing Facilities:** 1. Aluminium- Pune, Aurangabad, Pant Nagar, 2. Stamping- Nasik, Pune, Rudrapur, Zaheerabad, Nagpur, 3. Forging- Pune, Bangalore, Haridwar, Coimbatore 4. Casting- Pune 5. Machines/ Gears- Rajkot, Pune **Technical tie-ups**: No technical Tie-ups **Global presence**: Presence in 4 continents including Spain, France, USA, Brazil, China, Slovakia, LITHUANIA etc

Source: Company reports, CRISIL MI&A Consulting

Alicon Castalloy Limited

Key facts	Brief profile
Year of incorporation: 1990 HQ: Pune, Maharashtra	2002-2009: Formerly established in name of Enkei Castalloy 2009: Enkei Castalloy demerges into Alicon Castalloy Ltd. & Enkei Wheels India 2011: change of name to Alicon Castalloy Post 2011: Part of Allicon group, Alicon Castalloy Limited is the manufacturer of aluminum alloy dies castings mainly used in the automotive segment of the industry in India. Comprehensive services include design, engineering, casting, machining and assembly, painting, and surface treatment of aluminum components. **Capacity**: Aluminium Die Cast (GDC, LPDC) - 30,000 to 40,000 MT/ year with average utilization of approximately 68% **Business breakup**: Fiscal 2023 - Exports: 22% **Manufacturing Facilities** - Located at Shikrapur and Chinchwad (Maharashtra), Binola (Haryana) in India, and Slovakia in Europe **Technical tie-ups**: Serves automotive customers in Europe and the United States through its European subsidiary Illichmann

Key facts	Brief profile
	Castalloy **Global presence**: US and European markets with almost 18 countries worldwide

Source: Company reports, CRISIL MI&A Consulting

Rico Auto Industries Limited

Key facts	Brief profile
Year of incorporation: 1983 HQ: Gurgaon, Haryana	World-class engineering company supplying a wide range of high precision fully machined aluminum and ferrous components and assemblies to automotive OEMs across the globe. Services include design, development, tooling, casting, machining and assembly across ferrous and aluminum products. **Capacity** 1. 45,000 to 50,000 MT/ year of Aluminium Casting 2. 35,000 to 40,000 MT/ year of Iron Casting **Business breakup: Fiscal 2023** 1. Geography wise: Global - 17%, Domestic - 83% 2. Division wise: Engine - 43%, Others - 57% **Automotive product mix:** Ferrous (12%), Alum (88%) 1. Manufacturing Facilities - 15 manufacturing facilities at various locations spread across 92 acres 1. Gurugram (27 Acres) - Corporate, R&D, Aluminium & Ferrous Casting & Machining, CNC Machine building, Die making & Robotisation 2. Bawal (15 Acres) - Aluminium HPDC & Machining, EV Components 3. Bhiwadi / Pathredi (12 Acres) - Machining 4. Chennai (12 Acres) - Aluminium HPDC & Machining 5. Sanand & Halol (12 Acres) - (Al. HPDC, Machining, EV Components) 6. Dharuhera (5 Acres) - Aluminium HPDC & Machining 7. RFL Manesar (2 Acres) - Oil & Water Pumps 8. RJWL Manesar (5 Acres) - Aluminium Wheels Casting & Machining 9. Haridwar (2 Acres) - Aluminium Casting HPDC & Machining **Technical tie-ups: 6 subsidiaries** 1. Rico Auto Industries Limited (100%) 2. Rico Jinfei Wheels Limited (94.8%) 3. Rico Friction Technologies Limited (70%) 4. AAN Engineering Industries Limited (100%) 5. Rico Auto Industries Inc., USA (100) 6. Rico Auto Industries (UK) Ltd. (100%) **Global presence**: Market capturing 4 continents which includes US, UK as prominent market

Source: Company reports, CRISIL MI&A Consulting

Rane (Madras) Limited (RML)

Key facts	Brief profile
Year of incorporation: 1960 HQ: Chennai, Tamil Nadu	RML is the flagship company of the Rane group, with the group holding company, RHL having 71.77% stake. Engaged in the manufacturing of manual steering gears, hydrostatic steering systems, and steering and suspension linkages which together account for about 80% of overall revenues. The balance comes from its high-pressure aluminum die casting division. **Business breakup: Fiscal 2024** 1. Geographic wise: Global: 22%, Domestic: 78% 2. Division wise: Steering and suspension systems - 62%, Occupant safety systems - 16%. Friction Material components-10%, Valve train components - 8%, Light metal castings - 3% **Manufacturing Facilities - 5 manufacturing plants** Chennai and Kancheepuram in Tamil Nadu, Mysore in Karnataka, Thirubuvanai in Pondicherry and Pantnagar in Uttarakhand. Technical tie-ups: 1. Group companies include Rane Engine Valve Ltd, Rane Brake Lining Ltd, ZF Rane Automotive India Pvt Ltd (joint venture) and Rane NSK Steering Systems Ltd (joint venture) 2. February 2016, RML, through its wholly owned subsidiary RMIH, acquired 100% stake in US based Light Metal Casting Inc, subsequently renamed as RLMC **Global presence**: Market presence in over 12 countries

Source: Company reports, CRISIL MI&A Consulting

Caparo Engineering India Limited (CEIL)

Key facts	Brief profile
Year of incorporation: 1968 HQ: Gurgaon, Haryana	Caparo Engineering India Ltd. is engaged in manufacturing of auto components such as stampings, fasteners, tubes, aluminium foundry, forging and fabrication. The company’s product range includes outer body panel, large inner panels, brackets, frame add-on parts, fasteners, electric resistance welded tubes and cold-drawn welded tubes for automobile OEMs. Capacity 1. 2,000 to 2,400 MT/ year of Aluminium casting 2. 30,000 to 36,000 MT/ year Steel tubes with average utilization of approximately 70% Manufacturing Facilities: 18 manufacturing facilities located in various locations across India. Technical tie-ups: No technical tie-ups Global presence: Parent company - Caparo Group operates internationally from over 40 sites and serves customers globally, primarily from operations based in the UK, North America, Canada, India, and the Middle East

Source: Company reports, CRISIL MI&A Consulting

Precision Auto Castings

Key facts	Brief profile
Year of incorporation: 2003 HQ: Jaipur, Rajasthan	Precision Auto castings Private Limited is engaged in the manufacturing of Iron Castings in Grey Iron and S.G. (Ductile) Iron. Castings are supplied in Machined, Semi Machined and as cast condition with surface treatment as per customer's need and the castings are fully supported with world class quality control testing facilities **Capacity** 1. 35,000 to 40,000 MT/ year **Manufacturing Facilities** - 2 units in Jaipur, Rajasthan **Technical tie-ups**: No known technical tie-ups **Global presence**: serves customer needs in both domestic and international markets

Source: Company reports, CRISIL MI&A Consulting

Jaya Hind Industries

Key facts	Brief profile
Year of incorporation: 1947 HQ: Pune, Maharashtra	Jaya Hind Industries Private Limited (part of the Dr. Abhay Firodia Group of Companies), established in 1947, is one of the first companies in India to start manufacturing of Aluminum die-castings. Wide portfolio of critical parts ranging from 5gm to 30kg, serving a variety of industries in automotive as well as non-automotive fields. **Capacity** 1. 25,000 to 30,000 MT / year **Business breakup: Fiscal 2024** 1. Geography wise: Global - 25%, Domestic - 75% **Automotive product mix**: Alum (100%) **Manufacturing Facilities**: Manufacturing facilities at Akurdi and Urse in Maharashtra, Pithampur in Madhya Pradesh and Chennai in Tamil Nadu **Technical tie-ups**: 1. LMG Manufacturing GmbH, a wholly owned subsidiary of Jaya Hind Industries Pvt. Ltd. is a collaborative partnership between BMW and Jaya Hind Industries Pvt. Ltd 2. Jaya Hind Industries Private Limited has technical tie-up with KS Huayu Alutech GmbH (KSATAG) for manufacture of automotive Cylinder Blocks and Cylinder Heads has been till 2027 **Global presence**: Europe and American market witness good presence of Jaya Hind Industries

Source: Company reports, CRISIL MI&A Consulting

Endurance Technologies Ltd. (ETL)

Key facts	Brief profile
Year of incorporation: 1985 HQ: Aurangabad, Maharashtra	Endurance technologies limited is a leading auto- components company in India, specializing in manufacturing aluminium die castings, alloy wheels, suspensions, transmissions, and braking systems for 2, 3, and 4-wheeler OEMs. **Capacity** 1. ABS (Anti-lock Braking System) capacity at Waluj (Chennai) and Aurangabad with 6,00,000 to 6,40,000 MT / year 2. Alloy wheel capacity at Pune - 5 to 5.5 million MT / year **Business breakup** 1. Geography wise: Global: 50%, Domestic: 50% **Manufacturing Facilities**: Strategically Located facilities with proximity to OEMs. 27 facilities in multiple locations across India & Europe **Technical tie-ups**: Endurance Technologies has 2 wholly owned overseas subsidiaries and 4 step down subsidiaries in Europe region **Global presence**: 34 countries across Africa, Latin America, Asia

Source: Company reports, CRISIL MI&A Consulting

Key financial metrics – Fiscal 2024

Companies	Operating income	Gross profit	Operating EBITDA	PAT	Operating EBITDA margin	PAT Margin	ROCE	Gearing (times)
	(₹ million)				(%)			
Alicon Catsalloy Limited	15,605	8,020	1,964	614	12.6	3.9	15.4	0.6
Rico Auto Industries Limited	21,641	8,343	2,356	389	10.9	1.8	8.9	0.9
Caparo Engineering India Limited*	16,430	5,933	960	190	5.9	1.1	5.7	0.3
Jaya Hind Industries Private Limited*	9,577	4,040	3,051	1,987	30.7	15.7	1.7	0.0
Endurance Technologies Ltd.	102,409	41,900	13,332	6,804	13.0	6.6	18.9	0.2
Sundaram Clayton	14,392	5,519	604	(1,201)	4.2	(8.4)	(2.0)	2.4

Source: Consolidated Company Annual reports, CRISIL MI&A
**Caparo Engineering financials and Jaya Hind Industries Private Limited are as of Fiscal 2023*

Note:
EBITDA: Earnings before Interest Tax Depreciation and Amortization = Operating Income- Cost of goods sold- Fixed costs
PAT: Profit After Tax
Gross profit = Revenue - Cost of Raw Materials consumed-Purchase of Stock in trade-Changes in Inventory
Operating EBITDA margin = EBITDA/ operating income

PAT margin = profit after tax/operating income
RoCE = profit before interest and tax (EBIT) / [total debt + adjusted net worth + deferred tax liability]
Gearing = adjusted total debt/adjusted net worth

OUR BUSINESS

To obtain a complete understanding of our business, investors should read this section in conjunction with "Risk Factors", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 43, 119, 281 and 89, respectively, as well as the financial, statistical and other information contained in this Placement Document. Some of the information in the following section, especially information with respect to our plans and strategies, includes certain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 17 for a discussion of the risks and uncertainties related to those statements, and also the "Risk Factors" on page 43 for a discussion of certain risks that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in, or implied by, forward looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Unless otherwise indicated or the context otherwise requires, the financial information included in this section for as at and for the years ended March 31, 2022, 2023 and 2024 has been derived from our Proforma Condensed Combined Financial Information included in this Placement Document. Further, the financial information included in this section for as at and for the three months ended June 30, 2024 is derived from the June 2024 Interim Condensed Consolidated Financial Statements. For further information, see "Financial Information" on page 281. Also, see "Definitions and Abbreviations" on page 22 for certain terms used in this section.

Unless the context otherwise requires, references to "our Company" are to Sundaram-Clayton Limited on a standalone basis, while references to "we", "us" or "our" (including in the context of any financial or operational information) are to Sundaram-Clayton Limited and its Subsidiaries on a consolidated basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Automotive die-casting market in India, USA and Europe" dated September 2024 (the "**CRISIL Report**") prepared and issued by CRISIL Market Intelligence & Analytics (CRISIL MI&A), exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Offer. The data included herein includes excerpts from the CRISIL Report and may have been re-ordered by us for the purposes of presentation. Unless otherwise indicated, financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular calendar year/ Fiscal refers to such information for the relevant calendar year/ Fiscal. For further information, see "Risk Factors – 50. Certain sections of this Placement Document disclose information from the CRISIL Report which is a paid report and commissioned and paid for by us exclusively in connection with the Issue and any reliance on such information for making an investment decision in the Issue is subject to inherent risks" on page 64. Also see "Industry and Market Data" on page 15.*

OVERVIEW

Who We Are

We are one of the leading manufacturers of aluminum die castings, focused on commercial vehicles and passenger vehicles. *(Source: CRISIL Report)* We were among the top three suppliers of aluminum castings in the commercial vehicles segment in India, with approximately 62% of our revenue having been generated from the medium and heavy commercial vehicles segment in Fiscal 2024. *(Source: CRISIL Report)* We offer a complete range of die casting processes, namely high-pressure die casting ("**HPDC**"), low-pressure die casting ("**LPDC**") and gravity die casting ("**GDC**"), which we believe makes us a one-stop shop for aluminum casting customers. As of June 30, 2024, we have produced more than 900 automotive components and have an employee base of over 3,500 employees.

We are a part of the TVS group which holds a prominent position in the manufacturing of two-wheelers, auto components and computer peripherals, along with being involved in the businesses of distribution of heavy commercial vehicles, passenger cars, finance, and insurance. *(Source: CRISIL Report)* We believe we are able to leverage the history and track record of the TVS group in the automotive industry as well as its international presence for our operations. We also believe that our relationship with the TVS group has contributed significantly to our technical knowledge and brand recognition.

Scheme of Merger and Demerger

Pursuant to a composite scheme of arrangement filed under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the rules made thereunder, the entire business of manufacturing non-ferrous gravity and pressure die castings ("**Demerged Undertaking**") of the erstwhile Sundaram-Clayton Limited (now known as TVS Holdings Limited) was demerged into our Company. As a part of the composite scheme of arrangement, the Demerged Undertaking was transferred to our Company with effect from August 11, 2023.

The die casting business has been in operation since 1962 and has achieved many milestones and has emerged as one of the leading solution providers in machined and sub-assembled aluminum castings. (*Source: CRISIL Report*) Our clientele includes world-leading original equipment manufacturers and tier 1 auto suppliers. (*Source: CRISIL Report*)

Product Offerings

We aim to achieve customer satisfaction by offering a diversified range of high quality products. As of June 30, 2024, we offered more than 900 automotive components and sold more than 900 products across our product segments. Equipped with capabilities including HPDC, GDC and LPDC along with precision machining, we cover the entire value chain towards supplying aluminum die casting products for the automotive sector. Set forth below is our product portfolio across our product segments:

- *Commercial vehicles*: Flywheel housing, charger air housing, inlet manifold, venturi, transmission housings, front lower radiation bracket, engine mounting brackets, head lamp brackets, engine brackets, gear housing, battery box and compressor cover.

- *Passenger vehicles*: Timing chain cover, oil pan, air conditioner compressor parts, ladder frame and transmission housing.

- *Two-wheelers*: Crank case and structural parts such as magneto covers, cylinder barrel, cylinder head and swing arm.

Our illustrative product portfolio across our segments we cater to is set out below:

The table below sets out details of the revenue from sale of products and sales volume in relation to each of our product segments based on the Proforma Condensed Combined Financial Information:

Particulars	Commercial Vehicles			Passenger Vehicles			Two-Wheelers		
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
Revenue from sale of	1,388.58	1,281.92	1,064.21	383.13	339.04	233.68	390.58	404.86	359.28

Particulars	Commercial Vehicles			Passenger Vehicles			Two-Wheelers		
	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2024	Fiscal 2023	Fiscal 2022
products (in ₹ crores)									

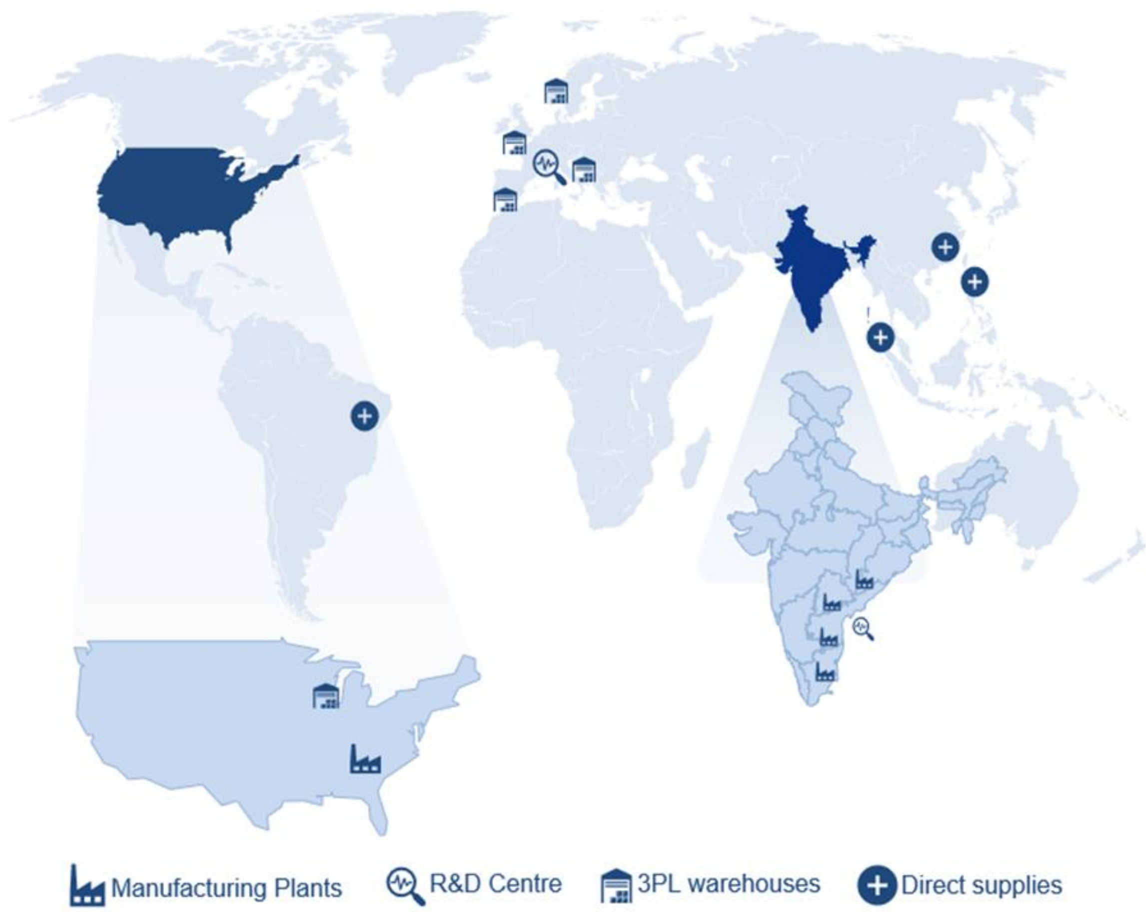
The table below sets out details of the revenue from sale of products in relation to each of our product segments based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	Commercial Vehicles	Passenger Vehicles	Two-Wheelers
	Three months ended June 30, 2024		
Revenue from sale of products (in ₹ crores)	373.95	95.37	105.21

Manufacturing Capabilities

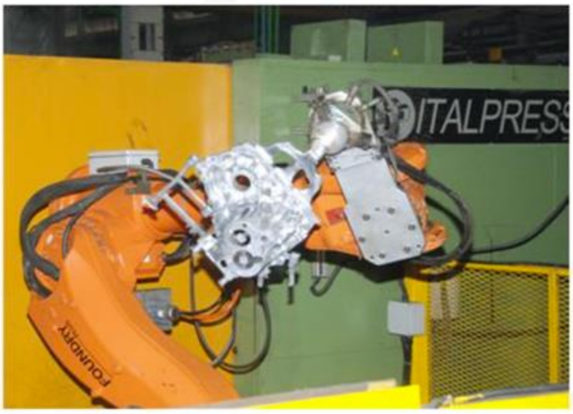
As of June 30, 2024, we operate five manufacturing facilities that cater to the diverse needs of our customers. We are one of the few companies with a large die casting capacity, with four manufacturing plants in India and one manufacturing plant in the United States. (*Source: CRISIL Report*) Our manufacturing facilities have an annual aggregate installed capacity of 84,000 MT. Our global manufacturing footprint is supported by our design centres in India and Europe. With effect from September 5, 2024, we have also commissioned a new manufacturing facility at Thervoy Kandigai in Tamil Nadu, India.

The image below sets forth the locations of our manufacturing facilities and our global presence:



Our integrated manufacturing facilities have advanced equipment for production, testing and quality assurance to produce a wide variety of aluminum castings using HPDC, LPDC and GDC technologies. At our recently commissioned manufacturing facility in Thervoy Kandigai in Tamil Nadu, India, we have put in place advanced automated manufacturing facilities with a focus on efficient material flow to comply with Industry 4.0 standards. Further, in our manufacturing facility in the United States, we are in the process of commissioning a 4,400 T machine, which will enable us to manufacture large complex parts to cater to the commercial vehicles segment.

The images below illustrates our manufacturing infrastructure:



Our manufacturing facilities comply with international quality standards and most of them have received ISO 14001:2015, ISO 45001:2018, ISO/IEC 27001: 2022 and IATF 16949 certifications. For details on our facilities, see "– *Business Operations – Manufacturing Facilities*" on page 213.

Research and Development

Integration of continuous learning and improvement in our operations enables us to gather the requisite technical knowhow. It helps us to reduce our product development lead time through in-house design competency ranging from advanced solid modelling to flow analysis software for rapid prototyping. We have established a research and development centre focusing on design aspects in Neckarsulm near Stuttgart, Germany, and one dedicated DSIR approved research and development centre in Padi, Tamil Nadu, India. We have also established a design centre in the IIT (Madras) Research Park in Tamil Nadu, India.

Customer Base

We have a diversified customer base comprising marquee domestic and global original equipment manufacturers ("**OEMs**") in the automotive sector. The businesses of our customers are spread across North America, Europe, Japan and South America. Our key customers include Cummins, Hyundai Motors, Daimler and TVS Motor Company.

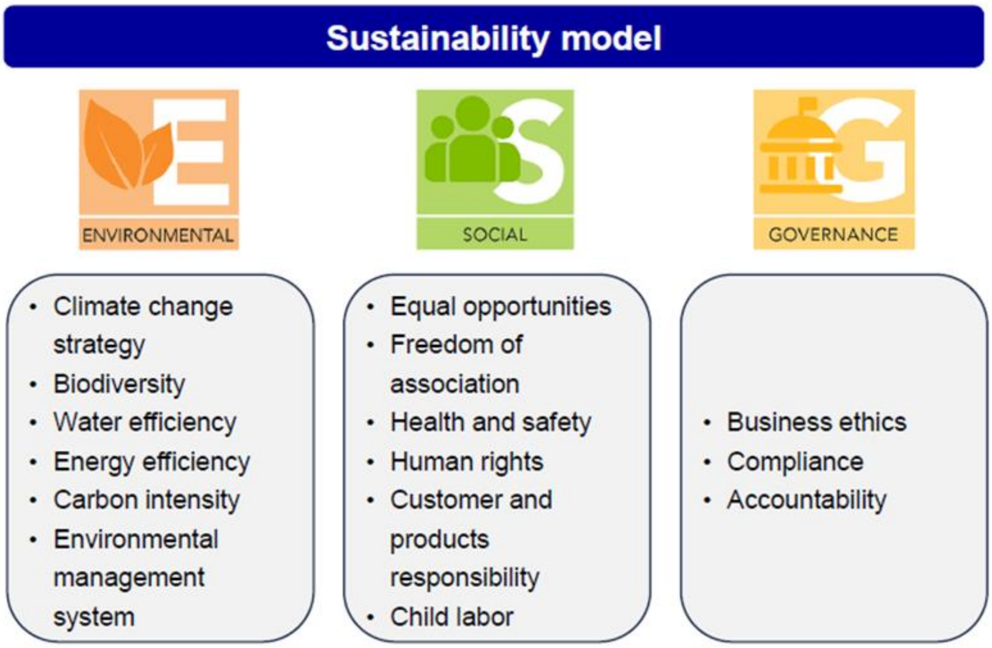
Almost all of our revenue from operations in Fiscals 2022, 2023 and 2024 was derived from our top 10 customers. We have been recognized by our customers for the high-quality of our products. For details of our recent awards, see "– *Awards and Accreditations*" on page 216. Our track record and extensive product portfolio have enabled us to retain existing customers and acquire new customers.

Management Team

We are led by a highly experienced board of directors, and a professional and experienced management team with extensive experience in the automotive industry and a proven track record of performance. We operate under the aegis of our Chairman Emeritus, Venu Srinivasan, who has significant experience in the automotive industry. He was conferred with the prestigious *Padma Bhushan* in 2021 and *Padma Shri* in 2010, the third and fourth highest civilian awards in India. Further, we were awarded the Deming prize and the Deming Grand prize in 1998 and 2002 under his guidance and leadership. He is also a recipient of the Deming Distinguished Service award for dissemination and promotion in India from JUSE in 2019. We have an experienced Board of Directors and our Managing Director, Dr. Lakshmi Venu, has significant experience in the automotive industry. As of June 30, 2024, we have more than 3,500 employees in our Company.

ESG Initiatives

We aim to accelerate the adoption of sustainable light alloy solutions globally. We have prioritized specific areas of focus from the United Nations' framework for our business and our interaction with the environment. We are in the process of developing long-term plans in partnership with Deustch Quality Systems for our sustainability initiatives. Set forth below are the ethos adopted by us in our sustainability model:



Further, we are working on sustainability initiatives to reduce our carbon footprint across our supply chains and be a carbon net zero company by 2040. We emphasise on the concepts of reuse, reduce and recycle in our operations for maximum resource utilization, along with the usage of renewable energy sources. For details, see "*– Business Operations - Health, Employee Safety and Environment*" on page 217, respectively.

Key Operational and Financial Metrics

The table below sets forth certain key operational and financial metrics for the periods indicated based on the Proforma Condensed Combined Financial Information:

Particulars	As of and for the year ended March 31,		
	2024	2023	2022
Revenue from Operations (₹ crores)	2,184.87	2,052.78	1,692.42
Revenue from Operations from Domestic Sales (₹ crores)	1,203.70	1,133.98	912.32
Revenue from Operations from Export Sales (₹ crores)	981.17	918.80	780.10
EBITDA(₹ crores) [(1)]	100.84	117.47	179.76
EBITDA Margin (%) [(2)]	4.62%	5.72%	10.62%
Profit / (loss) after Tax (₹ crores)	(169.42)	(107.84)	(16.60)
Profit / (loss) after Tax Margin (%) [(3)]	(7.75%)	(5.25%)	(0.98%)
Inventory Turnover Ratio[(4)]	3.00	2.80	2.49

Particulars	As of and for the year ended March 31,		
	2024	2023	2022
Trade Receivables Turnover Ratio[5]	8.02	7.91	6.92
Trade Payables(₹ crores)	444.41	399.51	366.35
Fixed Asset Turnover Ratio[6]	1.21	1.33	1.16
Return on Equity (%)[7]	(24.66%)	(13.29%)	(2.07%)
Return on Capital Employed(%) [8]	(3.46%)	(1.67%)	3.34%
Debt to Equity Ratio[9]	2.36	1.40	1.12

Notes:

1. *EBITDA is calculated as profit before tax plus finance costs and depreciation, amortization and impairment expense without deduction of other income.*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
3. *Profit / loss after Tax Margin is calculated as profit / loss after tax divided by revenue from operations.*
4. *Inventory Turnover Ratio is calculated as cost of goods sold (or cost of sales) divided by average inventory.*
5. *Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables.*
6. *Fixed Asset Turnover Ratio is calculated as revenue from operations divided by total fixed assets.*
7. *ROE is calculated as profit for the year divided by average shareholders' equity.*
8. *ROCE is calculated as EBIT divided by average capital employed. EBIT is calculated as profit before tax plus finance costs. Average capital employed is calculated as the average of opening and closing balance of capital employed and capital employed is calculated as total assets less current liabilities.*
9. *Debt to Equity Ratio is calculated as total debt (sum of current borrowings and non-current borrowings) without deduction of cash and cash equivalents divided by total equity.*

The table below sets forth certain key operational and financial metrics as of and for the three months ended June 30, 2024 based on the June 2024 Interim Condensed Consolidated Financial Statements:

Particulars	As of and for the three months ended June 30, 2024
Revenue from Operations (₹ crores)	580.43
Revenue from Operations from Domestic Sales (₹ crores)	307.91
Revenue from Operations from Export Sales (₹ crores)	272.52
EBITDA(₹ crores) [1]	14.37
EBITDA Margin (%) [2]	2.48%
Profit / (loss) after Tax (₹ crores)	(55.85)
Profit / (loss) after Tax Margin (%) [3]	(9.62%)
Inventory Turnover Ratio[4]	3.25
Trade Receivables Turnover Ratio[5]	7.83
Trade Payables(₹ crores)	489.30
Fixed Asset Turnover Ratio[6]	1.22
Return on Equity (%)[7]	NA
Return on Capital Employed(%) [8]	NA
Debt to Equity Ratio[9]	2.95

Notes:

1. *EBITDA is calculated as profit before tax plus finance costs and depreciation, amortization and impairment expense without deduction of other income.*
2. *EBITDA Margin is calculated as EBITDA divided by revenue from operations.*
3. *Profit / loss after Tax Margin is calculated as profit / loss after tax divided by revenue from operations.*
4. *Inventory Turnover Ratio is calculated as cost of goods sold (or cost of sales) divided by average inventory.*
5. *Trade Receivables Turnover Ratio is calculated as revenue from operations divided by average trade receivables.*
6. *Fixed Asset Turnover Ratio is calculated as revenue from operations divided by total fixed assets.*
7. *ROE is calculated as profit for the year divided by average shareholders' equity.*
8. *ROCE is calculated as EBIT divided by average capital employed. EBIT is calculated as profit before tax plus finance costs. Average capital employed is calculated as the average of opening and closing balance of capital employed and capital employed is calculated as total assets less current liabilities.*
9. *Debt to Equity Ratio is calculated as total debt (sum of current borrowings and non-current borrowings) without deduction of cash and cash equivalents divided by total equity.*

COMPETITIVE STRENGTHS

Robust Product Portfolio Focused on Commercial Vehicles and Passenger Vehicles

We manufacture machined aluminum castings required for heavy, medium and light commercial vehicles, passenger vehicles and two-wheelers. Our key products consist of highly engineered engine and powertrain products including flywheel housing, charger air housing, inlet manifold, venturi, transmission housings, front lower radiation bracket, engine mounting brackets, head lamp brackets, engine brackets, gear housing, battery box and compressor cover, as well as powertrain agnostic products such as structural brackets. We are equipped with HPDC, LPDC and GDC machines as well as CNC machining capabilities. As of June 30, 2024, we offer more than 900 automotive components across product segments.

Our diverse range of products and continuous efforts to develop new products, have allowed us to serve our customers globally. Further, our diverse portfolio of products has enabled us to reduce dependence on any single product. This has not only enhanced our ability to cater to multiple automotive segments, but has also helped mitigate potential risks associated with a concentrated portfolio. We believe, our customer-centric approach and diversified product portfolio catering to the commercial vehicles segment have been key factors in our success and growth.

We collaborate with our customers in the initial phases of product design and development. We engage in discussions with the technical and engineering teams of our customers to understand their alloy preferences and design requirements. As a result, we are able to customize solutions and offer value-added services, including sub-assembly activities that meet their specific requirements. This approach has helped us in establishing long-standing relationships with several of our customers and resulted in a loyal customer base. With our experience and diverse product range, we believe we have emerged as a one-stop shop for our customers, with the ability to manufacture high quality, intricate and critical products and components, each of high weight, which may serve as an entry barrier for our competitors that do not currently have such similar in-house engineering capabilities and diversified product portfolio.

Entrenched Customer Relationships with Long-Term Engagements

We have strong and well established relationships with our customers. Our clientele includes world-leading original equipment manufacturers and tier 1 auto suppliers. (*Source: CRISIL Report*) We provide inputs based on our expertise in die casting process to our customers in their product development to meet their technical and quality specifications. Our OEMs and Tier 1 customers involve us from the inception of product development and design because of our research and development capabilities. This association in product development process ensures repeat and new orders from our customers. Our strong distribution network, including through multiple third party logistics locations across India, USA and Europe, has also enabled the efficient supply of our products to our customers globally. We believe our focus on quality and safety, and price competitiveness of our product offerings have helped us establish and maintain long term relationships with our customers. Our key customers include Cummins, Hyundai Motors, Daimler and TVS Motor Company.

We have been awarded various awards by our customers that demonstrates our dedication to providing quality products and solutions that successfully meet their requirements. Some of these awards are mentioned below:

Customer	Award
Volvo Eicher	Cost and Capacity Excellence Award, 2023
Ford	Panther 2.0 L Engine Launch Quality and Supply Award, 2023
Hanon	Best Quality Consistent Supplier Award, 2023
Cummins	Customer Support Excellence Award (Direct Sourcing), 2022

We have also received the TPM Excellence Award – First Category by the Japan Institute of Plant Maintenance, as well as the Best Industrial Relations Award from the Government of Tamil Nadu, India. For further details on our recent awards and accolades, see "– *Awards and Accreditations*" on page 216.

Global Manufacturing Capabilities Catering to Diverse Needs of Customers

As of June 30, 2024, we operate five manufacturing facilities that cater to the diverse needs of our customers. We are one of the few companies with a large die casting capacity, with four manufacturing plants in India and one manufacturing plant in the United States. (*Source: CRISIL Report*) Our manufacturing facilities have an annual aggregate installed capacity of 84,000 MT. With effect from September 5, 2024, we have also commissioned a new manufacturing facility at Thervoy Kandigai in Tamil Nadu, India.

Our comprehensive manufacturing infrastructure includes inhouse alloying machines, pressure die casting machines, GDC stations, and LPDC machines. Further, our manufacturing facilities are equipped with computer numerically control machines and machining cells with single piece flow, along with sub-assembly stations with fail-safe features.

Our facilities are equipped with advanced machinery, including high pressure die casting machine, gravity die casting cell and machining cells, some of which are illustrated in the image below:

High pressure die casting machine

Gravity die casting cell

Machining cells

Machining cells

Over the years, we have invested significantly in expanding and upgrading our facilities which are equipped to undertake a variety of processes, including CT Scan and SEM. Our machinery and infrastructure enable us to offer a complete range of automotive components across the aluminum die casting spectrum, including complex cast-aluminum parts for powertrains, load-bearing, thin-walled castings for chassis application, and electronic vehicles/alternate powertrain application. Our manufacturing facilities include equipment, engineered layout with process controls and necessary automations for quality and productivity. Our manufacturing infrastructure enables quick exchange of dies and maximization of vertical storage space. Moreover, we have an in-house die design team, allowing us to design customized dies which are tailored to customers' specifications and layouts. Further, we are equipped with infrastructure, allowing us to accurately test the dimensional quality of our products. At our recently commissioned manufacturing facility in Thervoy Kandigai in Tamil Nadu, India, we have put in place advanced automated manufacturing facilities with a focus on efficient material flow to comply with Industry 4.0 standards. Further, in our manufacturing facility in the United States, we are in the process of commissioning a 4,400 T machine, which will enable us to manufacture large complex parts to cater to the commercial vehicles segment.

Further, our effective quality assurance system enabled with visual standards, advanced facilities and trained employees places a strong accent on process control. This quality orientation emanates from the die design stage and follows right through to the alloying, pouring, fettling, machining and assembly processes. We focus on quality control to ensure that our products meet all specifications prescribed by our customers. Our production lines follow strict process control guidelines and international industry standards and practices. Our product quality is sustained through well-trained workforce, modern testing and inspection equipment, and supported by a quality system designed to meet international standards. This is achieved through the use of quality management procedures such as quality system work instruction, Poka-Yoke mechanisms, process audits and statistical tools. Our manufacturing facilities comply with international quality standards and most of them have received ISO 14001:2015, ISO 45001:2018, ISO/IEC 27001: 2022 and IATF 16949 certifications. Statistical process controls and digital initiatives are also being deployed in machining cells to ensure the quality of our products. These quality systems have also been deployed across our manufacturing facility in the United States to ensure consistency in the quality of the products delivered to our customers, irrespective of our plant locations.

Superior Research and Development Capabilities

We place strong emphasis on research and development to enhance our product range and improve our manufacturing processes both independently and through co-operation with our customers and institutions such as the Fraunhofer Institute for Machine Tools and Forming Technology IWU in Germany and the Indian Institute of Technology, Madras in India.

Our culture of continuous learning and improvement has stocked us with the technical knowhow that has enabled us to reduce our product development lead time through in-house design competency ranging from advanced solid modelling to flow analysis software for rapid prototyping. Our research and development provides design inputs, development, prototyping, testing and validation services which are used by our customers for product design and engineering in relation to the castings manufactured by us for them. Additionally, it also contributes towards our efforts to develop light-weight alternatives to ferrous castings for our product portfolio. We have developed strong in-house die and process design capabilities, which allow us to serve our customers more effectively and efficiently. We have established a research and development centre focusing on design aspects in Neckarsulm near Stuttgart, Germany, and one dedicated DSIR approved research and development centre in Padi, Tamil Nadu, India. We have also established a design centre in the IIT (Madras) Research Park in Tamil Nadu, India. Our research labs are equipped with advanced metallurgical equipment like CT scan and scanning electron microscope to detect internal defects without destruction, and provide topographical, morphological and compositional information. We also have a dedicated R&D team comprising which includes PhDs and post-graduates.

Well-Positioned to Capture Favourable Industrial Tailwinds

Lightweighting of vehicles refers to the growing trend of building automobiles with lighter weight in order to improve fuel efficiency, performance and reducing emissions. *(Source: CRISIL Report)* As such, aluminum is an ideal material to address the growing trend of lightweighting of automobiles. *(Source: CRISIL Report)* Aluminum is favoured due to its strength-to-weight ratio, better corrosion resistance, design flexibility and recyclability. *(Source: CRISIL Report)* According to the CRISIL Report, while the Indian ferrous die casting industry is expected to grow at a CAGR between 7% to 9% from Fiscal 2025 to Fiscal 2030, the Indian aluminum die casting industry is expected to grow at a CAGR between 8% to 10% *(Source: CRISIL Report)*. According to the CRISIL Report, aluminum casting comprised 74% of the Indian auto die casting industry in Fiscal 2024, primarily due to advantages such as fuel efficiency and corrosion resistance, demand for light-weight components and a rising focus on reducing the carbon footprint *(Source: CRISIL Report)*. Further, according to the CRISIL Report, there is a strong growth outlook in aluminum die casting industry, which is driven by lightweighting and robust demand in end-use industries. *(Source: CRISIL Report)*. We were among the top three suppliers of aluminum castings in the commercial vehicles segment in India, with approximately 62% of our revenue having been generated from the medium and heavy commercial vehicles segment in Fiscal 2024 *(Source: CRISIL Report)* We believe that we are well-positioned to benefit from this switch to light-weighting of automobiles pursuant to our ability to handle varied volumes and complexities of die castings.

Further, there is an impetus in the automotive sector to reduce dependency on China in terms of the ‘China Plus One’ strategy for supply of automotive components. *(Source: CRISIL Report)* In order to obviate the supply-chain dependence on China, automotive companies across the globe are diversifying their sourcing of automotive components from countries other than China, including India. *(Source: CRISIL Report)* Further, with the Government of India’s initiatives such as *Atmanirbhar Bharat*, Make in India, the Electric Mobility Promotion Scheme 2024 and product linked incentives schemes, the focus on domestic sourcing of automotive components for automotive manufacturers located in India is increasing significantly. *(Source: CRISIL Report)* Additionally, according to the CRISIL Report, in the United States, the commercial vehicles market was valued at $ 592.84 billion in 2023 and is expected to reach $ 829.20 billion by 2029, witnessing a CAGR of 6% to 8% during this period. *(Source: CRISIL Report)* The demand for commercial vehicles in the United States and Europe has surged due to the increasing need for efficient public transportation and logistics services as well as the growth in e-commerce and online retail activity, which necessitates efficient and rapid delivery services. *(Source: CRISIL Report)*

We believe we are in a position to leverage these economic and industrial tailwinds due to our strong presence in India, and our manufacturing footprint in the United States, supported by our design centers in India and Europe. Further, we believe that our experience and technical expertise give us an edge over our competitors to act as a one-stop solution for aluminum castings, making it suitable for us to harness the industrial trends, and gain higher market share. In addition, given that the automotive sector is capital-intensive and dependent on complex technical know-how, our execution capabilities and production facilities create barriers to entry for other manufacturers that do not currently offer similar capabilities.

Affiliation to TVS Group and an Experienced Senior Management Team

The erstwhile Sundaram-Clayton Limited entity (now known as TVS Holdings Limited) was incorporated in 1962 as a part of the TVS Group, , which has been demerged into our Company. The TVS Group holds a prominent position in the manufacturing of two-wheelers, auto components and computer peripherals, along with being involved in the businesses of distribution of heavy commercial vehicles, passenger cars, finance, and insurance. *(Source: CRISIL Report)* Due to the long-standing history and track record of the TVS group in the automotive industry as well as its international presence, we leverage its strong brand value and recognition. It strengthens our competitive position across the automotive components industry.

We operate under the aegis of our Chairman Emeritus and Managing Director, Venu Srinivasan, who has significant experience in the automotive industry. He was conferred with the prestigious *Padma Bhushan* in 2021 and *Padma Shri* in 2010, the third and fourth highest civilian awards in India. Further, Venu Srinivasan was conferred with the Deming ‘Distinguished Service Award for Dissemination and Promotion Overseas’ in 2019 for his contributions in the field of total quality management.

We have an experienced Board of Directors. Under the leadership and guidance of our Managing Director, Dr. Lakshmi Venu, we have registered a steady growth in revenue, technological advancements and geographical presence; created a sustainable foundation for our growth; and have invested in our technical acumen pertaining to metallurgy, polymer science, and die and moulding design. Our Director and Chief Executive Officer, Vivek S Joshi, has considerable experience in the die casting industry. The Chief Operating Officer for our operations in

India, Venkatesh Rajagopalan, possesses several years of experience in the automotive components industry, and the Chief Operating Officer for our operations in the United States, Joe Hembree, has been working in the die casting industry for several years. Further, our Chief Financial Officer, Ajay Kumar, has considerable experience in the field of financial management.

We believe we have a strong platform for growth based on the strength of our Board and management team and their experience, which has enabled us to take advantage of strategic market opportunities and to better serve our customers. Further, we believe that our relationship with the TVS Group has contributed significantly to our industrial and technical knowledge, and brand recognition, which we believe have been critical to the growth of our business.

BUSINESS STRATEGIES

Expand and Optimize our Design and Manufacturing Capabilities to Capitalize on Opportunities in our Business Segments

We employ continued efforts to optimize our manufacturing systems and processes. We aim to further synchronize our operations with customer demand to ensure better planning and execution systems along with gaining control over inventories in the pipeline. We implement continuous improvement projects in all of our manufacturing facilities to enhance product quality and operational efficiency. We have also initiated various projects towards deploying automation in our processes as well as cyber security and the employment of smart machines will help us to produce more products efficiently and increase productivity across the value chain. In particular, at our recently commissioned facility in Thervoy Kandigai, Tamil Nadu, we aim to have Industry 4.0 compliant manufacturing facilities with robotics and well-researched material flow layouts. We plan to scale up these practices to bring significant gains in operational efficiencies across manufacturing locations. With scaled up manufacturing capabilities, we expect to gain prominence in the automotive components industry due to the growing trend towards light-weighting of vehicles and adoption of sustainable alloy solutions. We are also in the process of enhancing our manufacturing capability to address the structural and alternate powertrain / electric vehicles components.

Further, as part of our strategy, we intend to focus on expanding our operations at our manufacturing facility in Ridgeville, South Carolina, United States. According to the CRISIL Report, there has been a surge in demand for commercial vehicles in the United States and such demand is poised to sustain its vigour in the foreseeable future. *(Source: CRISIL Report)* We believe that our current operations in the United States, backed by a robust order book and proximity to some of our key clients, will enable us to gain a larger market share as well as cater to our existing clients whilst reducing costs and improving productivity.

Continue to Reduce Costs and Improve Operational Efficiencies

We intend to continue enhancing our operational efficiencies to increase economies of scale, lower our fixed and operating costs and strengthen our competitive position. We are also focused on improving capacity utilization at our manufacturing facilities. By leveraging our large size and scale, we intend to produce higher volumes of products from each of our manufacturing facilities and spread our fixed costs to reduce our production costs on a per unit basis, allowing us to reduce our unit sales price and increase our competitiveness.

We avail borrowings in the ordinary course of business from various banks and financial institutions. We aim to prepay or repay, in full or in part, certain of our outstanding indebtedness. This will help reduce our indebtedness and debt servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilization of our internal accruals for further investment in business growth and expansion. In addition, we believe that since our debt-equity ratio will improve, it will enable us to raise further resources at competitive rates and additional funds / capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. We intend to monetize our surplus assets and utilize the proceeds from this Issue towards our strategy of debt reduction. For details in relation to the proposed use of the Net Proceeds from this Issue, see *“Use of Proceeds”* beginning on page 78.

Provide End-to-End Solutions to our Existing Customers and Increase Wallet Share

We shall continue to engage with our customers from their early product design stage to the development and supply of finished products. Through discussions with their technical and engineering teams, we understand their alloy preferences and design requirements, so as to be able to customize the solutions offered to them. We intend to be an all-stop shop for light metal castings. As such, we possess the technology to produce semi-solid aluminum castings to serve the future needs of the automotive industry.

We intend to strengthen our relationships with our existing customers. Further, we aim to explore opportunities to grow along the value chain by expanding our existing products and solutions to increase our wallet share. We will continue to evaluate emerging trends and identify new business segments which we believe would enable us to capitalize on early mover advantages in those segments. In our current areas of operations, our continued focus would be on the growing light and medium commercial vehicle and passenger vehicle segments. We intend to leverage our relationships with certain of our customers, with some of whom we have enjoyed long-term relationships to grow our wallet share. Further, we seek to continue to explore opportunities that may arise from the Government's 'Make in India' initiative, product-linked incentive schemes, fiscal and tax reform and other regulatory and policy support initiatives in India, which the Central and State Governments may announce and implement from time to time.

Continue to Focus on Ensuring Stringent Quality Standards and Enhancing our Informational Technology Systems to Increase Efficiency

Ensuring customer satisfaction by consistently providing products of excellent quality is central to our operational approach. This is achieved through sophisticated technology, training, effective quality systems, continuous improvement and complete employee involvement. Use of Poka-yoke mechanism, process audits, use of statistical tools for process optimization and online process controls also contribute towards improving and achieving consistency in product quality. Our quality systems across our manufacturing facilities are IATF 16949 certified. We ensure that our employees are involved in our production processes to ensure increased cross functional synergies. We employ continuous improvement projects to enhance the product quality and operational efficiency in all of our manufacturing facilities.

In terms of our informational technology systems, we use an enterprise resource planning system that integrates all business processes across our operations. We also integrate the details in relation to our suppliers and customers for better planning and execution. We have enabled a private 5G network based IoT ecosystem in our recently commissioned manufacturing facility at Thervoy Kandigai, Tamil Nadu, India for seamless connectivity across our operations. We aim to leverage digitalization of operations and processes to enhance data driven decision making.

BUSINESS OPERATIONS

Our Products

Our product range includes flywheel housing, charger air housing, inlet manifold, venturi, transmission housings, front lower radiation bracket, engine mounting brackets, head lamp brackets, engine brackets, gear housing, battery box and compressor cover for the commercial vehicles segment; (ii) timing chain cover, oil pan, air conditioner compressor parts, ladder frame and transmission housing for passenger vehicles; and (iii) crank case and structural parts such as magneto covers, cylinder barrel, cylinder head and swing arm for the two-wheelers segment.

Set out below is a depiction of some of the products manufactured by us:

Flywheel housing

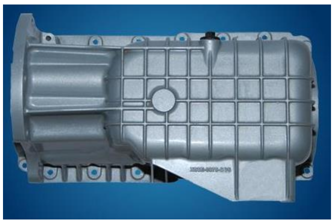
Inlet manifold

Covers

Transmission housing

Oil pan

Cylinder heads



Crank cases

Timing chain cover

Installed Capacity, Actual Production and Capacity Utilisation

The information relating to the installed capacity, actual production and capacity utilisation of our manufacturing facilities disclosed in this Placement Document is based on various assumptions and estimates of our management that have been taken into account in the calculation of our capacity and the same has been certified by K. Manikkam, an independent chartered engineer by their certificate dated September 26, 2024. Undue reliance should therefore not be placed on our capacity information or historical capacity utilization information for our existing manufacturing facilities included in this Placement Document. See "*Risk Factors – 39. Information relating to the annual installed capacity and historical capacity utilization of our manufacturing facilities included in this Placement Document is based on various assumptions and estimates, and future production and capacity utilization may vary.*" on page 61.

Set out below are details of the installed capacity, actual production and capacity utilization for the respective periods indicated therein:

Particulars	Fiscal 2024	Fiscal 2023	Fiscal 2022	Three months ended June 30, 2024*
Capacity (in MT)	84,000	84,000	84,000	21,000
Production volume (in MT)	46,473	43,948	40,489	11,890
Capacity utilization (in %)	55.33%	52.32%	48.20%	56.62%

**Installed capacity for the three months ended June 30, 2024 has been calculated on a pro-rata basis.*
Note: The installed capacity has been calculated on the basis of maximum possible production volume and average weight of the part considering 300 working days in a year.
As certified by K. Manikkam, independent chartered engineer, by way of their certificate dated September 26, 2024

Manufacturing Facilities

As of June 30, 2024, we operate five manufacturing facilities that cater to the diverse needs of our customers. We are one of the few companies with a large die casting capacity, with four manufacturing plants in India and one manufacturing plant in the United States. (*Source: CRISIL Report*) Our manufacturing facilities have an annual aggregate installed capacity of 84,000 MT. With effect from September 5, 2024, we have also commissioned a new manufacturing facility at Thervoy Kandigai in Tamil Nadu, India. Our manufacturing facilities are specifically designed to excel in the production of low-volume, high-weight and complex aluminium machined components. We focus on optimising material flow and incorporating advanced automation throughout our processes to ensure efficiency and precision. Our integrated manufacturing capabilities allow us to handle the entire production cycle in-house, from raw material processing to final assembly and dispatch. This allows us to focus on quality control and deliver complex, customised components that meet stringent industry standards.

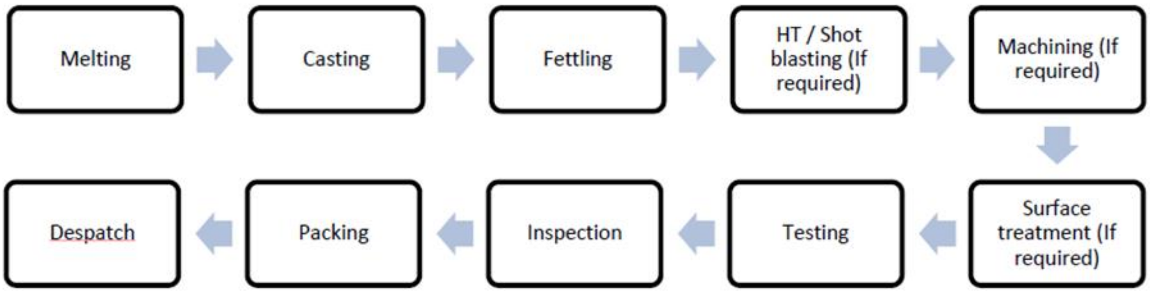
Our commitment to sustainability is demonstrated through the extensive use of renewable energy across our manufacturing facilities. These efforts not only reduce our carbon footprint, but also align with global sustainability goals.

Ridgeville Facility

North America is a key strategic market for our Company. To leverage this strategic opportunity, we have invested in establishing our casting and machining manufacturing facility in Ridgeville, South Carolina, United States to meet customer requests as a reliable supplier of machined aluminum castings within the U.S. market. This facility is fully-integrated, where we carry out all stages of the manufacturing process under a single roof, from gravity die casting and high pressure die casting to heat treatment, shot blasting and machining.

Key Manufacturing Processes

Set forth below is a description of the key manufacturing processes for aluminum castings at our manufacturing facilities:



Melting: This involves converting aluminum ingots into molten metal.

Casting: This involves converting molten metal into die casting, either through the HPDC, LPDC or GDC processes.

Fettling: This involves removing the excess material on the casting surface.

Shot Blasting: This involves removing surface irregularities on the casting parts.

Machining: This involves a manufacturing process wherein the desired shape or dimensions are created on the castings using CNC machines or special purpose machines in a controlled manner.

Surface Treatment: This involves a process applied to the surface of the casting to improve its endurability and make it resistant to corrosion, fatigue and wear and tear.

Testing: This involves conducting various assessments to evaluate the casting's performance and characteristics.

***Inspection*:** This involves examining and evaluating the physical and dimensional aspects of the casting to ensure it meets the requisite standards.

Packing: This involves arranging the casting inside containers for storage and transport to customers.

Despatch: This involves sending the casting to the relevant locations for delivery to customers.

Our manufacturing facilities follow three types of casting processes as follows:

HPDC: This is a process in which the molten metal is injected under high pressure into a mould cavity with the help of external pressure.

LPDC: The metal within the furnace is pressed through the riser tube into a mould under very low pressure in a controlled manner. This results in a low turbulence or even turbulence-free mould filling.

GDC: This is a process in which the molten metal solidifies in the mould under gravity without any external pressure.

Research and Development

Our investment in research and development is critical to driving future growth. We believe that sustainable economic value is created through continuous innovation and that investment in R&D is fundamental to our success. We undertake our R&D activities through one DSIR approved dedicated facility located in Tamil Nadu, India and one centre focusing on design aspects in Neckarsulm near Stuttgart, Germany.

We have a dedicated R&D team, which includes PhDs and post graduates. We have also established a design centre in the IIT (Madras) Research Park in Tamil Nadu, India. We believe that our work with esteemed research institutions across the world as part of our R&D efforts has allowed us to attract and retain talented employees. Our R&D team routinely participates in domestic and international conferences to present papers on the technical aspects of die casting as well as developments in products and processes in this field.

Our R&D facilities deploy advanced software and metallurgical equipment such as computed tomography (“**CT**”) scanning and scanning electron microscopy (“**SEM**”). Our R&D capabilities are bolstered by a comprehensive suite of advanced inspection facilities. At our Advanced Metrology Centre, we utilize tools such as Online Statistical Process Control (“**SPC**”), 3D scanning and Coordinate Measuring Machines (“**CMM**”) to ensure precision and accuracy in our manufacturing processes. Additionally, our Advanced Metallurgy Laboratories are equipped with state-of-the-art instruments including spectrometers, thermography equipment, advanced X-ray systems, and a Millipore laboratory. These facilities are complemented by a fully equipped standards room, allowing us to maintain rigorous quality control and innovation across all our products.

We engage in ongoing engineering and R&D activities to improve the reliability, performance and cost-effectiveness of our existing systems and components and design and develop innovative components that meet customer requirements for new applications. We are engaging with our customers to develop a number of components and solutions that will assist our customers to capitalize on market growth trends.

Further, our R&D capabilities are enhanced by our collaborations with prestigious technological institutions such as Fraunhofer University and the Indian Institute of Technology, Madras. For details, see *“- Competitive Strengths – Entrenched Customer Relationships with Long-Term Engagements”* on page 207.

Sales and Marketing

We have an in-house sales and marketing team, who focus on developing customer relationships and identifying and acquiring new customers and generating business opportunities. Our sales and marketing department is responsible for designing and implementing a business development strategy adapted to all markets, and forging local and global partnerships with OEMs to sustain profitable growth. Our sales and marketing team closely coordinates with our design and engineering teams to understand the technical requirements of the components. Through this process we are able to deepen our engagement with our customers at the business development stage itself, which enhances our relationship with our customers.

Customers

Our clientele includes world-leading original equipment manufacturers and tier 1 auto suppliers. (*Source: CRISIL Report*) The businesses of our customers are spread across North America, Europe, Japan and South America. For further information relating to our relationship with key customers, see *“– Competitive Strengths – Entrenched Customer Relationships with Long-Term Engagements*” on page 207.

Raw Materials and Suppliers

The principal raw material that we use in our operations is aluminum. Our company purchases aluminum at prices that are directly negotiated with our suppliers on a regular basis. By virtue of the price adjustments clauses in the purchase agreements with customers, the Company has limited exposure to the risk of market price fluctuations. Our alloy suppliers are primarily from India and Southeast Asia. For details in relation to the risks associated with sourcing our raw materials, see *"Risk Factors – 3. We have not entered into any long-term contracts with our suppliers from whom we procure materials consumed by us for our manufacturing process. Any delay, interruption or reduction in the supply of raw materials to manufacture our products or volatility in the prices of raw materials, may adversely affect our business, results of operations, financial condition and cash flows."* on page 44.

Storage and Transportation

We have warehouses which are located in India, the United States, the United Kingdom and Sweden. The warehouses work as our delivery point to key customer locations, help our customers manage their requirements in an efficient manner and enhances our engagement with them. These warehouses are owned by third parties and our storage space can be flexibly increased depending on the requirement.

Our operations use a number of different modes of transportation to supply our customers with adequate amounts of finished goods to meet the delivery deadlines. The mode of transportation for a particular shipment is dependent on the urgency, size and value of the order. Typically, we ship finished goods to our domestic OEM customers by road and our overseas OEM customers by sea. In a few cases, our customers may directly pick up the goods at our facilities, and these arrangements are handled by our customers. Our global scale of operations are facilitated by our international network of third-party logistics partners located in India, United States, United Kingdom and Sweden.

Quality Assurance and Quality Control

In the auto components manufacturing industry, maintaining strict quality standards is crucial to avoid defects and non-compliance with customer design specifications. Any such issues could result in order cancellations and damage to our reputation. To ensure compliance with quality standards and customer requirements, we have implemented a quality control mechanism. We examine the products at each stage of the manufacturing process to ensure that there are no defects from previous stages, and we deploy quality management procedures such as quality system work instructions, Poka-Yoke mechanisms, process audits and statistical tools, which help to ensure the quality of our products.

Additionally, representatives from our customers audit our manufacturing facilities and processes to ensure compliance with their specific requirements.

We also have a separate team responsible for quality assurance. For further information, see "*Risk Factors – 11. We are required to meet precise and specific requirements from our customers. Failure to achieve or maintain compliance with these requirements or quality standards can adversely affect our business, results of operations, financial condition and cash flows.*" and "*Risk Factors – 44. Our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.*" on pages 49 and 63, respectively.

Majority of our manufacturing facilities have been certified by Bureau Veritas in accordance with international standards of quality management systems such as IATF 16949 – First Edition; environmental management and occupational health and safety systems such as ISO 14001:2015 and ISO 45001:2018.

Awards and Accreditations

We have been recognised with a suite of awards and accolades by our customers which reflect our commitment to innovation and excellence in the machined aluminum castings industry in India.

The table below sets forth details of the awards we have received:

Sr. No.	Awards
1.	Cost and Capacity Excellence Award, 2023 from Volvo Eicher
2.	Panther 2.0 L Engine Launch Quality and Supply Award, 2023 from Ford
3.	Best Quality Consistent Supplier Award, 2023 from Hanon
4.	Best Foundry Award in Large Scale Category 2022 at ALUCAST 2022
5.	Customer Support Excellence Award (Direct Sourcing), 2022 from Cummins
6.	Energy Conservation Award, 2019 from Hanon
7.	Supplier of the Year Award from PACCAR in 2019, 2017 and 2016
8.	Best in Quality Award, 2019 from Daimler
9.	Best Process and System Award, 2019 from Hanon
10.	Best Supplier – Six Sigma Project Award from Cummins in 2019 and 2015

Sr. No.	Awards
11.	Best Performer in Production Support Award, 2018 from Hyundai
12.	Category Partner – Aluminum Castings Award, 2017 from Cummins
13.	Product Development Support Excellence Award, 2016 from Cummins
14.	Best Supplier Award, 2016 from Rotex
15.	Special Award for Globally Competitive Supplies, 2015 from Daimler
16.	Appreciation Award, 2015 from Hyundai
17.	Best Cost Sourcing Award, 2014 from ZF
18.	Superior Quality Award, 2014 from Cummins
19.	TPM Excellence Award – First Category by Japan Institute of Plant Maintenance in 2009
20.	Quality Award from Cummins, Hyundai, Ford Q1 Certification, Delphi TVS, PACCAR (10 PPM)
21.	New Product Development Award from Cummins, Hyundai, Visteon, ZF, Tata Motors
22.	Industrial Relations Award from the Government of Tamil Nadu

Human Resources

Our Company considers its employees as vital and valuable assets. We believe that human resource development is aligned with our business needs and is imperative to enhance business performance and results. We conduct career development workshops to identify high-potential employees, who are then groomed to take up higher responsibilities. Our engineers and executives are sponsored for advanced studies offered by educational institutions. As of June 30, 2024 we had 3,877 full-time employees engaged in our operations in India.

Health, Employee Safety and Environment

We endeavour to adhere to laws and regulations relating to protection of health and employee safety. We carry out our activities while following international standards of work safety and our working conditions seek to promote a healthy and safe work environment. We regularly conduct safety awareness campaigns for our employees to reduce the risk of accidents taking place in and outside the workplace.

We have also implemented initiatives to reduce the environmental impact of our operations and aim to reduce our carbon footprint across our supply chains and be a carbon net zero company by 2040. We employ 'reduce, reuse and recycle' concepts for maximum resource utilization and minimum adverse effects on the environment. We intend to achieve a majority of our energy needs through renewable energy sources. Apart from driving sustainability initiatives within the organization, our Company also endeavours to promote similar initiatives across the supply chain by providing sustainability training to our suppliers.

Environmental requirements imposed by our government will continue to have an effect on us and our operations. Our Company has obtained, or is in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. For details on risks associated with a failure to obtain or renew such consents or licenses, see *"Risk Factors – 25. We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, results of operations, cash flows and financial condition"* on page 55.

Competition

We face competition, both domestically and internationally, in relation to our products. Technology, price, design, quality, delivery, and engineering capabilities are the primary elements of competition in the auto component manufacturing industry *(Source: CRISIL Report)*. Our peers include Alicon Castalloy Limited, Rico Auto Industries Limited, Caparo Engineering India Limited, Jaya Hind Industries Private Limited and Endurance Technologies Limited *(Source: CRISIL Report)*. For more information, see "*Industry Overview*" on page 119. In addition, a number of our major OEM customers manufacture for their own use and for others, products that compete with our systems and components. Other current OEM customers could elect to manufacture products to meet their own requirements or to compete with our Company. We also face competition from larger organisations who possess greater financial resources, patents, underutilized capacity, lower labour costs, lower tax rates, and export or raw materials subsidies. Despite this, we believe that our expertise in design and engineering, diverse product portfolio, flexibility to meet customers' varying needs, and long-standing customer relationships give us a competitive edge. For further information on risks related to competition, see "*Risk Factors – 36. Any failure to compete effectively in our highly competitive industry could have an adverse effect on our business, financial condition, results of operations and cash flows.*" on page 60.

Information Technology

We employ an enterprise resource planning system that integrates all of our business processes across our operations. We also integrate the details in relation to our suppliers and customers for better planning and execution. We have enabled a private 5G network based IoT ecosystem in our recently commissioned manufacturing facility at Thervoy Kandigai, Tamil Nadu, India for seamless connectivity across our operations. Further, as we move towards the digitization of our processes and systems, we are focusing on enhancing the information security of our networks, with special emphasis on cyber security. We believe that our digitization measures across various functions will ensure that all of our processes and systems are optimized and aligned to better serve our customers.

Intellectual Property

As on the date of this Placement Document, we have several registered trademarks and patents. We hold patents for certain processes employed in our manufacturing operations, such as our method and apparatus for machining components, bend correction in casting elements, bend removal system and metal foam pillion handle. For details of the risks associated with protecting our intellectual property rights, see *"Risk Factors – 41. Any failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and results of operation"* on page 62.

Insurance

We maintain insurance cover for our properties, including protection from fire, burglary, theft, earthquake, flood, acts of terrorism and other force majeure events. In addition, we maintain marine export and import policies to cover various risks during the transit of goods overseas, a public liability act policy to cover product liability risk, group accident guard insurance policy for our employees, group health (floater) insurance policies for our employees and insurance policies covering directors' and officers' liability. For further information on risks related to our insurance policies, see "*Risk Factors – 28. We may not have adequate insurance and may be unable to secure additional insurance to cover all losses we may incur in our business operations or otherwise.*" on page 56.

Properties

Our registered office is located at No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, India. The following table sets forth the details of our manufacturing facilities:

S No.	Purpose	Location	Leased/ Owned
1.	Manufacture of aluminum gravity die casting components and machined components	Padi, Chennai – 600 050	Owned
2.	Manufacture of aluminum gravity die casting components	Hosur – 635 114	Owned
3.	Manufacture of machined aluminium components	Mahindra world City, Chennai – 603 002	On a leasehold basis
4.	Manufacture of aluminum gravity die castings and pressure die casting components and machined components	No. B14, SIPCOT Industrial Growth Center, Oragadam, Sriperumbudur Taluk, anchipuram District, Kanchipuram – 602 105	On a leasehold basis
5.	Casting, machining and assembly of high-pressure and gravity aluminum casting parts	Plot No.A-6/3 A, Sipcot Industrial Park,Thervoy Kandigai Village, Thiruvallur District	On a leasehold basis
6.	Casting, machining and assembly of high-pressure and gravity aluminum casting parts	Sundaram Clayton USA, LLC 120 Casting way, Ridgeville, South Carolina - 29472, USA	Owned

Also, see, "*Risk Factors – 37. Certain of our offices and manufacturing facilities are located on leased or licensed or rented premises; and certain of our equipment and machinery has also been procured on a lease basis. If these leases, lease and license agreements or rental deeds are terminated or not renewed on terms acceptable to us,* *and in a timely manner, it could adversely affect our business, financial condition, results of operations, and cash flows."* and *"Risk Factors – 38. Our manufacturing facility in Oragadam and our recently commissioned manufacturing facility at Thervoy Kandigai is situated on land allotted to us by SIPCOT. Failure to comply with the conditions of use of such land could result in an adverse impact on our business and financial condition" on* pages 60 and 61, respectively.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board is governed by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, our Company shall have not less than six directors and not more than 15 directors.

As of the date of this Placement Document, our Board comprises of nine directors, comprising three Executive Directors, four Independent Directors and two Non-Independent Non-Executive Directors, including two women Directors.

The following table sets forth details regarding our Board as of the date of this Placement Document:

Sr. No.	Name, DIN, date of birth, occupation, term current period of directorship and address	Age (in years)	Designation
1.	**Rajarangamani Gopalan** ***DIN:*** 01624555 ***Date of Birth:*** April 20, 1952 ***Occupation:*** Retired IAS Officer ***Current term:*** For a period of five years, with effect from March 13, 2023, not liable to retire by rotation ***Period of directorship:*** Since September 7, 2022 ***Address*** House No. D – 256 3rd Floor, Defence Colony, Lajpat Nagar, South Delhi, Delhi – 110 024, India	72	Chairman and Independent Director
2.	**Venu Srinivasan** ***DIN***: 00051523 ***Date of Birth***: December 11, 1952 ***Occupation***: Industrialist ***Current term***: For a period of five years with effect May 23, 2024 till May 22, 2029, liable to retire by rotation ***Period of directorship***: Since September 7, 2022 ***Address***: Old No. 2, New No. 3, West Side House, Adyar Club Gate Road, R.A. Puram, Chennai – 600 028, Tamil Nadu, India	71	Chairman Emeritus and Managing Director
3.	**Lakshmi Venu** ***DIN***: 02702020 ***Date of Birth***: April 16, 1983 ***Occupation***: Industrialist ***Current term***: For a period with effect from August 11, 2023 till March 21, 2025, liable to retire by rotation ***Period of directorship***: Since September 7, 2022 ***Address***: New No. 11, Old No. 5, Murugappa Road, Kotturpuram, Chennai – 600 085, Tamil Nadu, India	41	Managing Director
4.	**Vivek Shripad Joshi** ***DIN***: 09522758	49	Director and Chief Executive Officer

Sr. No.	Name, DIN, date of birth, occupation, term current period of directorship and address	Age (in years)	Designation
	Date of Birth: May 7, 1975 ***Occupation***: Professional ***Current term***: For a period of five years with effect from August 1, 2023, liable to retire by rotation ***Period of directorship***: Since September 7, 2022 ***Address***: New No. 26, B-1, Rain Forest Apartment, Rems Street, Taylors Road, Kilpauk, Chennai – 600 010, Tamil Nadu, India		
5.	**Rajesh Narasimhan** ***DIN***: 07824276 ***Date of Birth***: August 11, 1965 ***Occupation***: Professional ***Current term***: With effect from July 24, 2023, liable to retire by rotation ***Period of directorship***: Since September 7, 2022 ***Address***: 23 Leonie Hill, No. 11-02, Singapore – 239 224	59	Non-Executive Non-Independent Director
6.	**Ramaswamy Anandakrishnan** ***DIN***: 07806173 ***Date of Birth***: April 15, 1966 ***Occupation***: Professional ***Current term***: With effect from November 10, 2023 and liable to retire by rotation ***Period of directorship***: Since November 10, 2023 ***Address***: 2015, Sobha Suncrest, Kanakapura Road, Thalaghattapura Post Bengaluru, Karnataka – 560062	58	Non-Executive Non-Independent Director
7.	**Chittranjan Dua** ***DIN:*** 00036080 ***Date of Birth:*** November 3, 1951 ***Occupation:*** Professional ***Current term:*** For a period of five years, with effect from March 13, 2023, not liable to retire by rotation ***Period of directorship:*** Since March 13, 2023 ***Address:*** 88, Sunder Nagar, Lodhi Road, Central Delhi - 110003, Delhi, India	72	Non-Executive Independent Director
8.	**Sasikala Varadachari** ***DIN***: 07132398 ***Date of Birth***: September 17, 1954 ***Occupation***: Retired Bank Official ***Current term***: For a period of five years, with effect from March 13, 2023, not liable to retire by rotation	70	Non-Executive Independent Director

Sr. No.	Name, DIN, date of birth, occupation, term current period of directorship and address	Age (in years)	Designation
	Period of directorship: Since September 7, 2022 ***Address***: E-11, Hiranya Apartments Greenways Road, Extension Raja Annamalipuram, Chennai – 600 028, Tamil Nadu, India		
9.	**Peria Karuppa Kaniappan** ***DIN***: 02696192 ***Date of Birth***: March 12, 1960 ***Occupation***: Professional ***Current term***: For a period of five years with effect July 3, 2024, not liable to retire by rotation ***Period of directorship***: Since July 3, 2024 ***Address***: Plot No 55, Gurusamy Road, VGN Nagar, Phase IV, Nolambur, Chennai 600 095, Tamil Nadu, India	64	Non-Executive Independent Director

Brief profiles of Directors

Rajarangamani Gopalan aged 72 years, is the Chairman and Independent Director of our Company. He has been associated with our Company since September 7, 2022. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Remuneration to Independent Directors and Non-Executive Directors"* on page 224.

Venu Srinivasan aged 71 years, is the Chairman Emeritus and Managing Director of our Company. He has been associated with our Company since September 7, 2022. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Terms of Appointment of our Executive Directors"* on page 223.

Lakshmi Venu aged 41 years, is the Managing Director of our Company. She has been associated with our Company since September 7, 2022. Her remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Terms of Appointment of our Executive Directors"* on page 223.

Vivek Shripad Joshi aged 49 years, is the Director and Chief Executive Officer of our Company. He has been associated with our Company since September 7, 2022. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Terms of Appointment of our Executive Directors"* on page 223.

Rajesh Narasimhan aged 59 years, is the Non-Executive Non-Independent Director of our Company. He has been associated with our Company since September 7, 2022. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Remuneration to Independent Directors and Non-Executive Directors"* on page 224.

Ramaswamy Anandakrishnan aged 58 years, is the Non-Executive Non-Independent Director of our Company. He has been associated with our Company since November 10, 2023. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Remuneration to Independent Directors and Non-Executive Directors"* on page 224.

Chittranjan Dua aged 72 years, is the Non-Executive Independent Director of our Company. He has been associated with our Company since March 13, 2023. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Remuneration to Independent Directors and Non-Executive Directors"* on page 224.

Sasikala Varadachari aged 70 years, is the Non-Executive Independent Director of our Company. He has been associated with our Company since September 7, 2022. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Remuneration to Independent Directors and Non-Executive Directors"* on page 224.

Peria Karuppa Kaniappan aged 64 years, is the Non-Executive Independent Director of our Company. He has been associated with our Company since July 3, 2024. His remuneration for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 is disclosed in *"Remuneration to Independent Directors and Non-Executive Directors"* on page 224.

Relationship with other Directors

Other than Lakshmi Venu, who is the daughter of Venu Srinivasan, none of our Directors are related to each other or to any of the Key Managerial Personnel or Senior Management.

Terms of appointment of our Executive Directors

Each of the Executive Directors of our Company are entitled to the following remuneration and perquisites:

Venu Srinivasan

Venu Srinivasan has been associated with our Company as an Additional Director since September 7, 2022. He was last re-appointed as the Chaiman Emeritus and Managing Director of our Company pursuant to the Board resolution dated February 9, 2024 and shareholders resolution dated April 25, 2024 for a period of five years with effect from May 23, 2024.

Further, pursuant to the resolutions passed by our Board on February 9, 2024 and shareholders on April 25, 2024, Venu Srinivasan is entitled to the following remuneration and benefits:

Particulars	Remuneration (in ₹)
Salary	₹ 0.04 crores per month
Allowances and perquisites	perquisites, in addition to salary and commission, as per the rules of our Company are as mentioned below: (i) Accommodation (ii) Leave travel concession (iii) Cars (iv) Medical expenses (v) Club fees (vi) Personal accident insurance (vii) Provident fund (viii) Gratuity (ix) Earned leave (x) Telephone including telecommunication facilities (xi) Reimbursement of expenses (xii) Benefits and amenities

Lakshmi Venu

Lakshmi Venu has been associated with our Company as an Additional Director since September 7, 2022. She was appointed as the Managing Director of our Company pursuant to the Board resolution dated August 9, 2023 and shareholders resolution dated August 10, 2023 until March 21, 2025. Further, pursuant to the resolutions passed by our Board on August 9, 2023 and shareholders on August 10. 2023, Lakshmi Venu is entitled to the following remuneration and benefits:

Particulars	Remuneration (in ₹)
Salary	₹ 0.07 crores per month
Allowances and perquisites	perquisites, in addition to salary and commission, as per the rules of our Company are as mentioned below: (i) Accommodation (ii) Leave travel concession (iii) Cars

Particulars	Remuneration (in ₹)
	(iv) Medical expenses (v) Club fees (vi) Personal accident insurance (vii) Provident and other fund (viii) Gratuity (ix) Earned leave (x) Telephone including telecommunication facilities (xi) Reimbursement of expenses (xii) Benefits and amenities
Commission/ Performance bonus	commission at such percentage of net profits of our Company as may be determined by our Board, from time to time

Vivek Shripad Joshi

Vivek Shripad Joshi has been associated with our Company as an Additional Director since September 7, 2022. He was appointed as the Director and Chief Executive Officer of our Company pursuant to the Board resolution dated July 25, 2023 and shareholders resolution dated July 27, 2023 for a period of five years with effect from August 1, 2023.

Further, pursuant to the resolutions passed by our Board on July 25, 2023 and shareholders on July 27, 2023, Vivek Shripad Joshi is entitled to the following remuneration and benefits, for a period of three years from August 1, 2023 till July 31, 2026:

Particulars	Remuneration (in ₹)
Salary	salary per annum of fixed pay aggregating to ₹ 2.01 crores and a performance based variable pay
Allowances and perquisites	perquisites, in addition to salary as per the rules of our Company, are as mentioned below: (i) Car (ii) Medical expenses (iii) Club fees (iv) Gratuity (v) Earned leave (vi) Telephone including telecommunication facilities (vii) Reimbursement of expenses (viii) Benefits and amenities

Remuneration to Independent Directors and Non-Executive Directors

Sitting fees

Our Non-Executive Directors are entitled to receive sitting fees for attending meetings of our Board of Directors or any of its committees. Pursuant to the Board resolution dated May 10, 2024, our Non-Executive Directors are entitled to sitting fees of ₹ 20,000 for attending each meeting of the Board and each meeting of all committees of the Board.

Commission

Pursuant to the Board resolution dated May 10, 2024 our Non-Executive Independent Directors were entitled to receive remuneration by way of a commission of ₹ 1,500,000 for the Financial Year ended March 31, 2024 in addition to sitting fees at such intervals within the limits as prescribed under the Companies Act, 2013.

The following table sets forth the details of sitting fees and commission paid by our Company to the Non-Executive Independent Directors of our Company for the Fiscal year commencing April 1, 2024 until August 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Director	Sitting fees and commission (in ₹ crores) for			
		Current Fiscal (From April 1, 2024 till August 31, 2024)	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Rajarangamani Gopalan	Negligible	0.16	-	-
2.	Chittranjan Dua	Negligible	0.16	-	-
3.	Sasikala Varadachari	Negligible	0.16	-	-
4.	Peria Karuppa Kaniappan*	Negligible	-	-	-

** Appointed with effect from July 3, 2024*

The following table sets forth the details of remuneration paid by our Company to our Non-Executive Non-Independent Directors for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Non-Independent Non-Executive Director	Remuneration (in ₹ crores) for			
		Current Fiscal (From April 1, 2024 till August 31, 2024)	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Rajesh Narasimhan	Negligible	Negligible	-	-
2.	Ramaswamy Anandakrishnan	Negligible	-	-	-

Remuneration paid to Executive Directors

The following tables set forth the details of remuneration paid by our Company to the Executive Directors of our Company for Fiscal 2024, Fiscal 2023 and Fiscal 2022:

Sr. No.	Name of the Executive Director	Remuneration (in ₹ crores) for			
		Current Fiscal (From April 1, 2024 till August 31, 2024)	Fiscal 2024	Fiscal 2023	Fiscal 2022
1.	Venu Srinivasan	0.01	0.60	-	-
2.	Lakshmi Venu	0.87	3.16	-	-
3.	Vivek Shripad Joshi	2.68	2.70	-	-

Note: On account of non-appointment of Executive Directors on our board during Fiscal 2022 and Fiscal 2023, no remuneration was paid in this regard.

Shareholding of Directors

Except as disclosed below, none of our Directors hold Equity Shares in our Company as of the date of this Placement Document:

Sr. No.	Name of the Director	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Venu Srinivasan	Chairman Emeritus and Managing Director	966,600	4.78
2.	Dr. Lakshmi Venu	Managing Director	165,043	0.82
3.	Vivek Shripad Joshi	Director and Chief Executive Officer	10	Negligible
4.	Ramaswamy Anandakrishnan	Non-Executive and Non-Independent Director	5	Negligible

As on the date of this Placement Document, our Company does not have any employee stock option scheme or employee stock purchase plan.

Borrowing powers of our Board

In accordance with our Articles of Association and subject to the provisions of the Companies Act, 2013, the Board may, from time to time, at its discretion, by a resolution passed at its meeting on March 13, 2023, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit. Pursuant to a resolution of the shareholders of our Company dated March 20, 2023, in accordance with Section 180 of the Companies Act, 2013, the Board is authorised to borrow up to an amount of ₹1,500.00 crores and to create charge/provide security for the sum borrowed on the assets of our Company.

Interest of our Directors

Our Directors may be deemed to be interested to the extent of their remuneration, sitting fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of reimbursement of expenses payable to them, and the Executive Directors of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

Certain of our Directors may also be regarded as interested in Equity Shares held by them, if any, or that may be subscribed by and allotted to their relatives, or the entities with which they are associated as promoters, directors, partners, proprietors or trustees or to the companies, firms and trust, in which they are interested as directors, promoters, members, partners and trustees, and to the extent of any dividend payable to them and others distributions in respect of such Equity Shares. For further details, see "*Capital Structure*" on page 84.

Except, Venu Srinivasan and Lakshmi Venu, none of our Directors have any interest in promotion or formation of our Company as on the date of this Placement Document.

Except as provided in *"Related Party Transactions"* on page 87, our Company has not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Placement Document, in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

Our Directors have no interest in any property acquired by our Company, or proposed to be acquired by our Company or in any transaction in the acquisition of land, construction of building and supply of machinery, etc.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested.

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Service contracts with Directors

There are no service contracts entered into between any of our Directors and our Company for the provision of any benefits upon termination of employment.

Corporate governance

Our Board presently consists of nine Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors has four Independent Directors (including one woman Independent Director) and two Non-Executive Directors.

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board functions either as a full board or through various committees constituted to oversee specific functions. Our Company's executive management provides our Board with detailed reports on its performance periodically.

Committees of our Board of Directors

Our Board has constituted statutory committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The statutory committees of our Board are: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship Committee; (iv) Risk Management Committee; and (v) Corporate Social Responsibility Committee

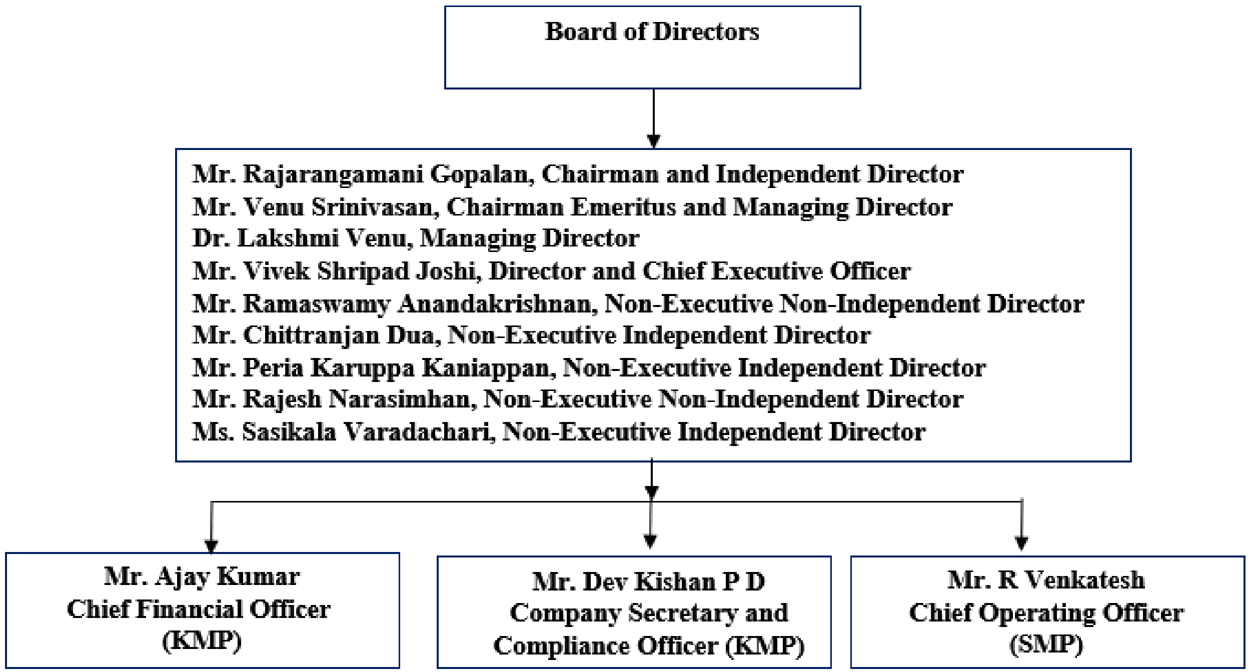
The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

Sr. No.	Committee	Name and Designation of Members
1.	Audit Committee	(i) Mr. Rajarangamani Gopalan, Chairperson (ii) Mr. Chittranjan Dua, Member (iii) Ms. Sasikala Varadachari, Member
2.	Nomination and Remuneration Committee	(i) Mr. Chittranjan Dua, Chairperson (ii) Mr. Rajarangamani Gopalan, Member (iii) Ms. Sasikala Varadachari, Member (iv) Ramaswamy Anandakrishnan, Member
3.	Stakeholders Relationship Committee	(i) Mr. Rajesh Narasimhan, Chairperson (ii) Mr. Rajarangamani Gopalan, Member (iii) Dr. Lakshmi Venu, Member
4.	Risk Management Committee	(i) Ms. Sasikala Varadachari, Chairperson (ii) Dr. Lakshmi Venu, Member (iii) Mr. Chittranjan Dua, Member (iv) Mr. Vivek Shripad Joshi, Member
5.	Corporate Social Responsibility Committee	(i) Mr. Venu Srinivasan, Chairperson (ii) Dr. Lakshmi Venu, Member (iii) Ms. Sasikala Varadachari, Member

Prohibition by SEBI or other governmental authorities

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority. None of the Directors of the companies with which they are or were associated as promoters, directors or persons in control have been debarred from accessing the capital market under any order or direction passed by SEBI or any other governmental authority.

Organisation Chart



Key Managerial Personnel and Senior Management

In addition to the Chairman Emeritus, Managing Directors and Director, the details of our Key Managerial Personnel in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

Ajay Kumar, aged 52 years, is the Chief Financial Officer of our Company.

Dev Kishan P D, aged 34 years, is the Company Secretary and Compliance Officer of our Company.

In addition to the Key Managerial Personnel, the details our Senior Management in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as on the date of this Placement Document are set forth below:

R Venkatesh, aged 47 years, is the Chief Operating Officer of our Company.

Relationship amongst our Key Managerial Personnel, Senior Management and Directors

None of our Key Managerial Personnel or members of Senior Management are related to each other or to the Directors of our Company.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

Except as disclosed in *"- Terms of appointment of our Executive Directors"* on page 223 and bonus which our Key Managerial Personnel or Senior Management are entitled to in accordance with the terms of their appointment, our Company does not have any bonus or profit-sharing plan with the Key Managerial Personnel or Senior Management.

Service Contracts with Key Managerial Personnel and Senior Management

There are no service contracts entered into between any of our Key Managerial Personnel or Senior Management and our Company for provision of any benefits upon termination of employment.

Interest of our Key Managerial Personnel and Senior Management

Other than as disclosed in the " – *Interest of our Directors*" on page 226, our Key Managerial Personnel and Senior Management do not have any interest in our Company other than to the extent of the remuneration, benefits or stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them or their dependents in our Company, if any. The Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

All our Key Managerial Personnel and members of Senior Management are permanent employees of our Company.

None of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management were selected as member of senior management.

Shareholding of our Key Managerial Personnel and Senior Management

Except as disclosed above under "– *Shareholding of Directors*" and below, none of our Key Managerial Personnel and Senior Management hold Equity Shares in our Company as of the date of this Placement Document:

Sr. No.	Name of the Key Managerial Personnel / Senior Management	Designation	Number of Equity Shares	Percentage (%) shareholding
1.	Ajay Kumar	Chief Financial Officer	5	Negligible
2.	Dev Kishan P D	Company Secretary and Compliance Officer	1	Negligible
3.	R Venkatesh	Chief Operating Officer	2	Negligible

Other Confirmations

1. Other than disclosed in this Placement Document, none of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company have any financial or other material interest in the Issue.

2. Our Promoters, Directors and Key Managerial Personnel or Senior Management will not participate in the Issue.

3. Neither our Company, nor any of our Directors or Promoters have been identified as a Wilful Defaulter or as a Fraudulent Borrower by any lending banks or financial institutions or consortiums, in terms of the RBI master circular dated July 1, 2016 and SEBI ICDR Regulations.

4. None of our Directors or Promoters have been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

5. No change in control in our Company will occur consequent to the Issue.

6. No loans have been availed or extended by our Directors, Key Managerial Personnel or Senior Management from, or to, our Company or the Subsidiaries.

Policy on disclosures and internal procedure for prevention of insider trading

The SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and conduct for the prevention of insider trading. Our Company has implemented a code of practices and procedures for fair disclosure of unpublished price sensitive information in accordance with the SEBI Insider Trading Regulations.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three fiscals immediately preceding the date of this Placement Document, see "*Related Party Transactions*" on page 87.

ORGANISATIONAL STRUCTURE OF OUR COMPANY

Corporate History

Our Company was incorporated on August 29, 2017 as a private limited company under the Companies Act, 2013 with the name 'TVS Commodity Financial Solutions Private Limited' and a certificate of incorporation dated August 30, 2017 was issued by the Registrar of Companies, Central Registration Centre. The name of our Company was changed to 'Sundaram - Clayton DCD Private Limited' pursuant to a special resolution passed by the shareholders of our Company on February 4, 2022, and a fresh certificate of incorporation dated February 8, 2022 was issued by the Registrar of Companies, Chennai ("**RoC**"). Subsequently, our Company was converted from a private limited company to a public limited company and consequently renamed as 'Sundaram - Clayton DCD Limited' pursuant to a special resolution passed by the shareholders of our Company on February 10, 2022, and a fresh certificate of incorporation dated February 24, 2022 was issued by the RoC. Further, the name was changed to the present name viz., Sundaram-Clayton Limited pursuant to the Composite Scheme of Arrangement approved by the Hon'ble NCLT, Chennai Bench *vide* its order dated March 6, 2023, and a fresh certificate of incorporation dated August 30, 2023 was issued by the RoC.

Our Company's CIN is L51100TN2017PLC118316. The Registered and Corporate Office of our Company is situated at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India. On September 28, 2020, the registered office of our Company was changed from Jayalakshmi Estates, No. 29, Haddows Road, Chennai – 600 006, Tamil Nadu, India to Chaitanya, No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India for the purposes of administrative convenience.

Subsidiaries

As on date of this Placement Document, our Company has the following Subsidiaries, namely:

Direct Subsidiaries

(i) **Sundaram Holding USA Inc.**

Sundaram Holding (USA) Inc. is engaged in the business of manufacturing of aluminium castings.

(ii) **Sundaram-Clayton (USA) Limited**

Sundaram-Clayton (USA) Limited is engaged in the professional employer organisation which provides payroll services.

(iii) **Sundaram Clayton GmbH**

Sundaram Clayton GmbH is engaged in the business of engineering design centres.

(iv) **SCL Properties Private Limited**

SCL Properties Private Limited was incorporated on July 22, 2024 for maintaining data centers and is yet to commence business operations.

Indirect Subsidiaries (limited liability companies of Sundaram Holding USA Inc.)

(i) **Green Hills Land Holding LLC**

Green Hills Land Holding LLC is engaged in the business of leasing of properties.

(ii) **Components Equipment Leasing LLC**

Components Equipment Leasing LLC is engaged in the business of leasing of components and equipment.

(iii) **Sundaram-Clayton (USA) LLC**

Sundaram-Clayton (USA) LLC is engaged in the business of manufacture of aluminium castings for heavy and medium commercial vehicles segment.

(iv) **Premier Land Holding LLC**

Premier Land Holding LLC is engaged in the business of manufacture of aluminium castings for heavy and medium commercial vehicles segment.

As on the date of this Placement Document, our Company has one Material Subsidiary, Sundaram Holding USA Inc.

Holding company

As on date of this Placement Document, our Company does not have any holding company.

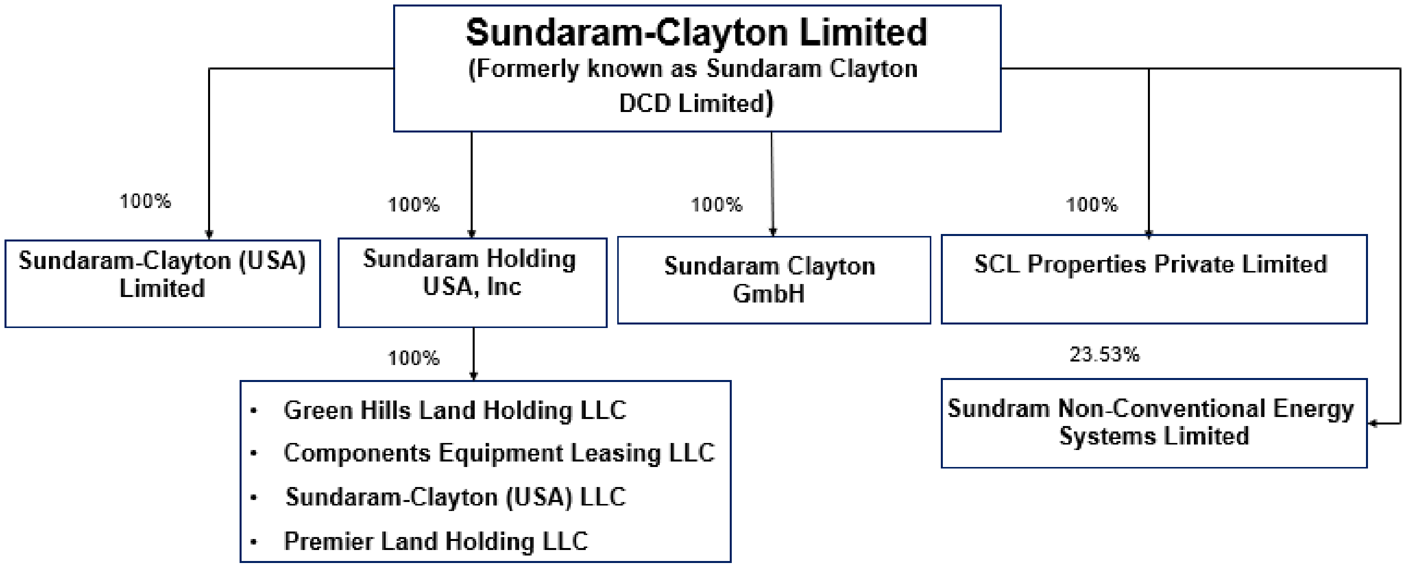
Associate company

As on the date of this Placement Document, our Company has one Associate, namely, Sundram Non-Conventional Energy Systems Limited.

Joint Ventures

As on the date of this Placement Document, our Company does not have any joint ventures.

The organizational structure of our Company as on date of this Placement Document is as follows:



SHAREHOLDING PATTERN OF OUR COMPANY

The shareholding pattern of our Company, as on June 30, 2024 is set forth below:

Table I – Summary Statement holding of Specified securities:

Category	Category of Shareholders	No. of Shareholders	No. of fully paid up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting right	No. of Locked in Shares		No. of equity shares held in dematerialized form
								No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	6	1,36,47,151	1,36,47,151	67.45	1,36,47,151	67.45	-	-	1,36,47,151
(B)	Public	21,831	65,84,953	65,84,953	32.55	65,84,953	32.55	-	-	65,84,953
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-
	Total	**21,837**	**2,02,32,104**	**2,02,32,104**	**100.00**	**2,02,32,104**	**100.00**	**-**	**-**	**2,02,32,104**

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

Category	Category of Shareholders	Entity type	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of locked in shares		No. of equity shares held in dematerialized form
							Class e.g.: X	Total	Class e.g.: X	Total	
A1	**Indian**										
(a)	Individuals/ Hindu Undivided Family		3	11,89,386	11,89,386	5.88	11,89,386	5.88	-	-	11,89,386
	Mallika Srinivasan	Promoter Group	1	57,743	57,743	0.29	57,743	0.29	-	-	57,743
	Venu Srinivasan	Promoter	1	9,66,600	9,66,600	4.78	9,66,600	4.78	-	-	9,66,600
	Lakshmi Venu	Promoter Group	1	1,65,043	1,65,043	0.82	1,65,043	0.82	-	-	1,65,043
(b)	Any Other (specify)		3	1,24,57,765	1,24,57,765	61.57	1,24,57,765	61.57	-	-	1,24,57,765
	Sundaram Finance Holdings Limited	Promoter Group	1	15,14,378	15,14,378	7.49	15,14,378	7.49	-	-	15,14,378
	T V Sundram Iyengar and Sons Private Limited	Promoter	-	-	-	-	-	-	-	-	-
	VS Trust (Mr Venu Srinivasan, Trustee)	Promoter	1	1,03,23,122	1,03,23,122	51.02	1,03,23,122	51.02	-	-	1,03,23,122
	VS Trustee Private Limited	Promoter Group	-	-	-	-	-	-	-	-	-
	VS PTC Trust (Mr Venu Srinivasan, Trustee)	Promoter Group	-	-	-	-	-	-	-	-	-
	VEE ESS Trading Private Limited	Promoter Group	-	-	-	-	-	-	-	-	-
	VEE ESS Trust (Venu Srinivasan Trustee Private Limited, Trustee)	Promoter Group	-	-	-	-	-	-	-	-	-
	Srinivasan Venu Trust (Mr Venu Srinivasan, Trustee)	Promoter Group	-	-	-	-	-	-	-	-	-
	Venu Srinivasan Trustee Private Limited	Promoter Group	-	-	-	-	-	-	-	-	-
	Srinivasan Trust (VS Trustee Private Limited, Trustee)	Promoter Group	1	6,20,265	6,20,265	3.07	6,20,265	3.07	-	-	6,20,265
	S. Venu Trustee Private Limited	Promoter Group	-	-	-	-	-	-	-	-	-
	Srinivasan Trading Private Limited	Promoter Group	-	-	-	-	-	-	-	-	-
	Sub Total A1		**6**	**1,36,47,151**	**1,36,47,151**	**67.45**	**1,36,47,151**	**67.45**	**-**	**-**	**1,36,47,151**

Category	Category of Shareholders	Entity type	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities		Number of locked in shares		No. of equity shares held in dematerialized form
							Class e.g.: X	Total	Class e.g.: X	Total	
A2	**Foreign**										
	Individuals (Non-Resident Individuals / Foreign Individuals)										
	Sudarshan Venu	Promoter Group	-	-	-	-	-	-	-	-	-
	Sub Total A2		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (A) = A1+ A2		**6**	**1,36,47,151**	**1,36,47,151**	**67.45**	**1,36,47,151**	**67.45**			**1,36,47,151**

Table III - Statement showing shareholding pattern of the public shareholder:

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		Number of equity shares held in dematerialized form
								Class e.g.: X	Total	
B1	**Institutions**									
B2	**Institutions (Domestic)**									
	Mutual Funds	5	24,67,312	24,67,312	12.20	24,67,312	12.20	-	-	24,67,312
	SBI Mutual Fund	1	19,21,616	19,21,616	9.50	19,21,616	9.50	-	-	19,21,616
	Nippon Life India Mutual Fund	1	2,99,548	2,99,548	1.48	2,99,548	1.48	-	-	2,99,548
	ICICI Prudential Mutual Fund	1	2,34,893	2,34,893	1.16	2,34,893	1.16	-	-	2,34,893
	Alternate Investment Funds	1	2,55,000	2,55,000	1.26	2,55,000	1.26	-	-	2,55,000
	Mauryan First	1	2,55,000	2,55,000	1.26	2,55,000	1.26	-	-	2,55,000
	Banks	1	2	2	-	2	-	-	-	2
	Insurance Companies	2	2,01,586	2,01,586	1.00	2,01,586	1.00	-	-	2,01,586
	NBFCs registered with RBI	1	50	50	-	50	-	-	-	50
	Sub-Total B1	**10**	**29,23,950**	**29,23,950**	**14.45**	**29,23,950**	**14.45**	-	-	**29,23,950**
B3	**Institutions (Foreign)**									
	Foreign Portfolio Investors Category-I	35	71,816	71,816	0.35	71,816	0.35			71,816
	Sub-Total B2	**35**	**71,816**	**71,816**	**0.35**	**71,816**	**0.35**			**71,816**
B4	**Central Government/ State Government(s)**	-	-	-	-	-	-	-	-	-
B5	**Non-Institutions**	-	-	-	-	-	-	-	-	-
	Directors and their relatives (excluding independent directors and nominee directors)	5	363	363	-	363	-	-	-	363
	Key Managerial Personnel	2	6	6	-	6	-	-	-	6
	Investor Education and Protection Fund (IEPF)	1	43,203	43,203	0.21	43,203	0.21	-	-	43,203
	Resident Individuals holding nominal share capital up to ₹ 0.02 crores	20,292	19,54,682	19,54,682	9.66	19,54,682	9.66	-	-	19,54,682
	Resident Individuals holding nominal share	4	9,58,190	9,58,190	4.74	9,58,190	4.74	-	-	9,58,190

Category	Category & Name of the Shareholder	No of Shareholders	No of fully paid up equity shares held	Total No of shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	No. of Locked in shares		Number of equity shares held in dematerialized form
								Class e.g.: X	Total	
	capital in excess of ₹ 0.02 crores									
	Govindlal M Parikh	1	7,69,712	7,69,712	3.80	7,69,712	3.80	-	-	7,69,712
	Non-Resident Indians (NRIs)	661	66,712	66,712	66,712	66,712	0.33	-	-	66,712
	Foreign Nationals	1	83	83	-	83	-	-	-	83
(g)	**Bodies Corporate**	224	3,49,801	3,49,801	1.73	3,49,801	1.54	-	-	3,49,801
(h)	**Any other (Specify)**	596	2,16,147	2,16,147	1.07	2,16,147	1.07	-	-	2,16,147
	Unclaimed or Suspense or Escrow Account	1	2,340	2,340	0.01	2,340	0.01	-	-	2,340
	Trusts	1	20	20	-	20	-	-	-	20
	LLP	28	44,853	44,853	0.22	44,853	0.22	-	-	44,853
	HUF	565	1,68,909	1,68,909	0.83	1,68,909	0.83	-	-	1,68,909
	Clearing Members	1	25	25	-	25	-	-	-	25
	Sub-Total B4	**21,786**	**35,89,187**	**35,89,187**	**17.74**	**35,89,187**	**17.74**	**-**	**-**	**35,89,187**
	Total B=B1+B2+B3+B4	**21,831**	**65,84,953**	**65,84,953**	**32.55**	**65,84,953**	**32.55**	**-**	**-**	**65,84,953**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and Bidders were assumed to have apprised themselves of the same from our Company or the BRLMs. Prospective Bidders were advised to inform themselves of any restrictions or limitations that may be applicable to them and were required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 255 *and* 263*, respectively.*

Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Bidders were advised to make their independent investigations and satisfy themselves that they were eligible to apply. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBS ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue was made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules issued thereunder, to the extent applicable, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, our Company, being a listed company in India, may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by us. Some of these conditions are set out below:

- the Shareholders have passed a special resolution approving the Issue. Such special resolution must *inter alia* specify that, (a) the allotment of the Equity Shares is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed issue schedule, the purpose or objects of offer, the contribution made by the Promoters or directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the Issue, are listed on the Stock Exchange, for a period of at least one year prior to the date of issuance of notice to our shareholders for convening the meeting to seek approval of the shareholders for the above-mentioned special resolution;

- invitation to apply in the Issue must be made through a private placement offer-cum-application (i.e., the Preliminary Placement Document) and an Application Form serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall have completed allotments with respect to any earlier offer or invitation made by our Company or has withdrawn or abandoned such invitation or offer made by our Company, except as permitted under the Companies Act;

- our Company shall not make any subsequent QIP until the expiry of two weeks from the date of this Issue;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., the Preliminary Placement Document and the Application Form), our Company must prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited. In accordance with the SEBI ICDR Regulations, securities will be issued and allotment shall be made only in dematerialized form to the allottees; and

- the Promoters and Directors of our Company are not Fugitive Economic Offenders.

At least 10% of the Equity Shares issued pursuant to this Issue to Eligible QIBs were available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remained unsubscribed, it was allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The floor price of the equity shares issued under the QIP is not less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchanges during the two weeks preceding the relevant date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decided to open the proposed issue and "stock exchange" meant any of the recognised stock exchanges in India on which the Equity Shares of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares must be Allotted within 365 days from the date of the shareholders' resolution approving the Issue and also within 60 days from the date of receipt of Bid Amount from the relevant Eligible QIBs failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Bid Amount, see "*– Pricing and Allocation – Designated Date and Allotment of Equity Shares*" on page 250.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that contains all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you did not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of Allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 250 crores; and

- five, where the issue size is greater than ₹ 250 crores.

No single Allottee shall be Allotted more than 50% of the Issue Size. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "*–Bid Process - Application Form*" on page 246.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

Our Company has received the in-principle approval of the Stock Exchanges, each on October 3, 2024, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to this Issue. We have filed a copy of the Preliminary Placement Document and this Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act and the PAS Rules.

The Issue has been authorised and approved by our Board on July 3, 2024 and a special resolution passed by our Shareholders through postal ballot dated August 13, 2024.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" page 255. See "*Purchaser Representations and Transfer Restrictions*" on page 263 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

Issue Procedure

1. On the Issue Opening Date, our Company and the BRLMs had circulated serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form and shall circulate serially numbered copies of this Placement Document, either in electronic or physical form to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of such Eligible QIBs in the form and manner prescribed under the PAS Rules, to whom the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time period as required under the Companies Act and PAS Rules.

2. **The list of Eligible QIBs to whom the Preliminary Placement Document, this Placement Document and the serially numbered Application Form have been delivered has been determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Bid Amount was to be deposited, were addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB**

and this Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

3. Eligible QIBs were required to submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs.

4. Bidders were required to indicate the following in the Application Form:

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they were agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue;

   - it has agreed to certain other representations set forth in the Application Form and the Preliminary Placement Document; and

   - A representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S, and the applicable laws of the jurisdiction where those offers and sales are made, and it has agreed to certain other representations set forth in "*Representations by Investors*" on page 3 and "*Purchaser Representations and Transfer Restrictions*" on page 263 and certain other representations made in the Application Form.

   NOTE**:** *Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds specifically required to state the names of the concerned schemes for which the Bids were made. In case of a Mutual Fund, a separate Bid could be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not required to be treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund were required to be treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them did not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.*

5. Eligible QIBs were required to make the entire payment of the Bid Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"Sundaram - Clayton Limited - QIP Escrow A/c"* with the Escrow Bank, within the Bid/Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Bid Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. No payment shall be made in the Issue by the Bidders in cash. Bid Amount payable on Equity Shares to be held by joint holders was required to be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, Bid Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder was not Allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, (c) the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the

excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 251.

6. Once a duly completed Application Form was submitted by a Bidder, whether signed or not, and the Bid Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Bid/ Issue Closing Date, an additional amount was required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. The Bid/ Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form.

7. Upon receipt of the duly completed Application Form and the Bid Amount in the Escrow Account, on or before the Bid/ Issue Closing Date, our Company has, in consultation with BRLMs determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation. Upon such determination, the BRLMs, on behalf of our Company, sent the serially numbered CAN and this Placement Document to the Successful Bidders. The dispatch of a CAN, and this Placement Document to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. In case of Bids being made on behalf of the Eligible QIB where the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so. The Bid/Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs have been given notice of such date after receipt of the Application Form. **Please note that the Allocation has been at the absolute discretion of our Company and in consultation with the BRLMs.**

8. The Bidder acknowledged that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company disclosed the names of proposed allottees and the percentage of their post-Issue shareholding in this Placement Document and consented to such disclosure, if any Equity Shares are allocated to it.

9. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, on our behalf, sent a serially numbered Placement Document either in electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

10. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

11. After passing the resolution passed by the Board or capital issue committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

12. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

13. Our Company will then apply for the final trading approvals from the Stock Exchanges.

14. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

15. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final trading

and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

16. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, have been considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules have been considered as Eligible QIBs. FVCIs were not permitted to participate in the Issue. Currently, QIBs, who were eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Eligible FPIs;
- insurance companies registered with the Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India.
- multilateral and bilateral development financial institutions eligible to invest in India;
- Mutual Funds, VCFs, AIFs;
- pension funds with minimum corpus of ₹ 25 crores registered with PFRDA;
- provident funds with minimum corpus of ₹ 25 crores
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THE ISSUE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF FEMA RULES. ELIGIBLE FPIs WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DID NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S WERE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.

Other eligible non-resident QIBs shall participate in the Issue under Schedule II of the FEMA Rules.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 10% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs were permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 255 and 263, respectively.

Restriction on Allotment

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a promoter, or any person related to, the Promoters. QIBs which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders’ agreement or voting agreement entered into with the Promoters or members of the Promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company, the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs were required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, a Bidder was deemed to have made all the representations, warranties, acknowledgements and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 1, 3, 255 and 263, respectively, including as follows:

1. The Eligible QIB confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. The Eligible QIB confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. The Eligible QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoters;

4. The Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

5. The Eligible QIB acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

6. The Eligible QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

7. The Eligible QIB confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

8. The Eligible QIB confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. The Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

10. The Eligible QIB agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the

BRLMs. The Eligible QIB further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

11. The Eligible QIB acknowledges that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

12. The Eligible QIB confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

13. The Eligible QIB acknowledge that no Allocation shall be made to them if the price at which they have Bid for in the Issue is lower than the Issue Price;

14. The Eligible QIB confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

15. The Bidder acknowledges, represents and agrees that in the event its total interest in the paid-up share capital of our Company or voting rights in our Company, whether direct or indirect, beneficial or otherwise (any such interest, or "**Holding**"), when aggregated together with any existing Holding and/or Holding of any of the persons acting in concert, results in Holding of 5% or more of the total paid-up share capital of, or voting rights in, our Company a disclosure of the aggregate shareholding and voting rights will have to be made under the SEBI Takeover Regulations;

16. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

17. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

ELIGIBLE QIB WERE REQUIRED TO BE PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN OR PAN ALLOTMENT LETTER, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BRLMs, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMs TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BRLMs, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount was deposited in the Escrow Account as is specified in the Application Form and the Application Form was submitted to the BRLMs either through electronic form or through physical delivery at the following address:

Name of BRLMs	Address	Contact person	E-mail	Contact number
Ambit Private Limited	Ambit House, 449, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India	Nikhil Bhiwapurkar	**Website**: www.ambit.co **Email ID**: sundaramclayton.qip@ambit.co	+91 22 6623 3030
JM Financial Limited	7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Maharashtra, India	Prachee Dhuri	**Website**: www.jmfl.com **Email ID**: sundaramclayton.qip@jmfl.com	+91 22 6630 3030

The BRLMs were not required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms were required to be duly completed and Bidders Bidding in the Issue were required to pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

Bank account for Payment of Bid Amount

Our Company has opened the Escrow Account in the name of *"Sundaram - Clayton Limited - QIP Escrow A/c"* with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder were required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

Note: Payments were to be made only through electronic fund transfer. Payments made through cash, demand draft or cheques were liable to be rejected. Further, if the payment is not made favouring the Escrow Account, the Application Form was liable to be rejected.

Pending Allotment, our Company undertakes to utilise the amount deposited in *"Sundaram - Clayton Limited - QIP Escrow A/c"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. Further, our Company has offered a discount of ₹ 115.78 per Equity Share, i.e., 4.99% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution dated August 13, 2024 and in accordance with Regulation 176(1) of the SEBI ICDR Regulations.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed such document as this Placement Document with the Stock Exchanges.

Build-up of the Book

The Bidders were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLMs.

Method of Allocation

Our Company has determined the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Bids received from the Eligible QIBs at or above the Issue Price have been grouped together to determine the total demand. The Allocation to all such Eligible QIBs was required be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLMs has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs IN RESPECT OF ALLOCATION IS FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES WAS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMs AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMs ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

CAN

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, have decided the Successful Bidders. Our Company has dispatched a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them has been notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders have also been sent a serially numbered Placement Document (which includes the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document, to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. However, transfer of securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed it with the Stock Exchanges as this Placement Document, which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with this Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company has been disclosed in this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder was lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN in the manner set out in the refund intimation which will be dispatched to the Bidder.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of Bid Amount, our Company shall repay the Bid Amount within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate of 12% p.a. from expiry of the sixtieth day. The Bid Amount to be refunded by us shall be refunded to the same bank account from which Bid Amount was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

Release of Funds to our Company

The monies lying to the credit of the Escrow Account shall not be released until receipt of notice from the BRLMs the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

Other Instructions

Submission of Documents

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/BRLMs as soon as practicable.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the IT Act. A copy of PAN card was required to be submitted with the Application Form. However, this requirement may not apply to certain Bidders who are exempted from the requirement of obtaining a PAN under the IT Act. Further, the Application Forms without this information were considered incomplete and were liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank account details

Each Bidder was required to mention the details of the bank account from which the payment of Bid Amount was being made along with confirmation that such payment has been made from such account.

Right to Reject Applications

Our Company, in consultation with the BRLMs, could reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder is refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 246 and 251, respectively.

Equity Shares in dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

PLACEMENT AND LOCK-UP

Placement Agreement

The BRLMs have entered into the Placement Agreement dated October 3, 2024 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as placement agents in connection with the proposed Issue and procure subscription to Equity Shares to be placed with the Eligible QIBs, pursuant to Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules, to the extent applicable, as amended and other applicable provisions of the Companies Act and the rules made thereunder. The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to satisfaction of certain conditions and subject to termination in accordance with the terms contained therein.

This Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares offered pursuant to the Issue will be offered in India or overseas to the public or any members of the public or any other class of prospective investors, other than Eligible QIBs.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" page 255. See "*Purchaser Representations and Transfer Restrictions*" on page 263 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Managers

In connection with the Issue, the BRLMs (or its affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be offered pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. The Affiliates of the BRLMs may purchase Equity Shares and be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 9.

From time to time, the BRLMs, its affiliates and its associates have been engaged in or may in the future engage in transactions with and perform services, including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, Group Companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the BRLMs and its respective affiliates and associates.

Lock-up

Under the Placement Agreement, our Company undertakes that it will not for a period of 45 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly, (a) purchase, lend, sell, offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, any Equity Shares or any securities convertible into or exercisable for Equity Shares (including, without limitation, securities convertible into or exercisable or exchangeable for Equity Shares which may be deemed to be beneficially owned), or file any registration statement under the U.S. Securities Act, with respect to any of the foregoing; or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, (d) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Equity Shares in any depository receipt facility, or (e) publicly announce any intention to enter into any transaction falling within (a) to (d) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (d) above.

Provided that, the foregoing restriction shall not apply to (i) the issuance of Equity Shares pursuant to the Issue; (ii) issuance of non-convertible securities; and (iii) any transaction required by law or an order of a court of law or a statutory authority.

Promoter's Lock-up

Under the Placement Agreement, the Promoters and each member of the Promoter Group have undertaken that they will not for a period of 45 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided that, the foregoing restriction shall not apply to the Issue.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

General

No action has been taken or will be taken by our Company or the BRLMs that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of the Preliminary Placement Document and this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required (including filing of prospectus in India with SEBI or any other authority in connection with the Issue). Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document, this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 of the Companies Act read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Purchaser Representations and Transfer Restrictions*", "*Notice to Investors*" and "*Representations by Investors*" on pages 255, 1 and 263 respectively.

Republic of India

The Preliminary Placement Document and this Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. The Preliminary Placement Document and this Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document does not constitute a prospectus or other disclosure document under the Corporations Act 2001 (Cth) ("Australian Corporations Act") and does not purport to include the information required of a prospectus or disclosure document under the Australian Corporations Act. This Placement Document has not been lodged with the Australian Securities and Investments Commission ("**ASIC**") and no steps have been taken to lodge it with ASIC. No offer will be made under this Placement Document to any person to whom disclosure is required to be made under Chapter 6D of the Australian Corporations Act. Any offer in Australia of the Equity Shares under this Placement Document may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act which permit the offer of the Equity Shares without disclosure under Part 6D.2 of the Australian Corporations Act.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to the Company that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Placement Document and the Equity Shares that shall be offered pursuant to this Placement Document have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Member State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, all in accordance with the Prospectus Regulation), except that offers of Equity Shares may be made to the public in that Member State at any time under the following exemptions under the Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of Lead Managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Except for each person who is not a qualified investor and who has notified the Lead Managers of such fact in writing and has received the consent of the Lead Managers in writing to subscribe for or purchase Equity Shares in the Issue, each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Lead Managers and their affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Hong Kong

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Japan

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). This Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in this Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Kuwait

This document and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Equity Shares in the State of Kuwait. The Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait. No private or public offering of the Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in the State of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in the State of Kuwait.

Mauritius

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

New Zealand

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "New Zealand Securities Act"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("Habitual Investors"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

Qatar (excluding the Qatar Financial Centre)

This Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Placement Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Qatar and Qatar Financial Centre

Nothing in this Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Placement Document is strictly private and confidential. This Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

Saudi Arabia

This Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorised financial adviser.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) as specified in Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Equity Shares are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

South Korea

The Securities have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "FSCMA"), and the Securities have been and will be offered in Korea as a private placement under the FSCMA. None of the Securities may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "FETL"). Furthermore, the purchaser of the Securities shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Securities. By the purchase of the Securities, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Securities pursuant to the applicable laws and regulations of Korea.

Sultanate of Oman

The information contained in this Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

Switzerland

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Placement Document may only be used by those investors to whom it has been handed out in connection with the Offer described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands to subscribe for any of the Equity Shares but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the "**SIBL**"), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL. This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not being offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**") Rulebook. This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Placement Document nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Lead Managers for any such offer; or
(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Shares shall require the Company or any Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This Placement Document may not be distributed or circulated to any person in the United Kingdom other than to (i) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); and (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order (all such persons together being referred to as "relevant persons"). This Placement Document is directed only at relevant persons. Other persons should not act on this Placement Document or any of its contents. This Placement Document is confidential and is being supplied to you solely for your information and may not be reproduced, redistributed or passed on to any other person or published, in whole or in part, for any other purpose.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in '*offshore transactions*', as defined in and in reliance on Regulations S and the applicable laws of the jurisdiction where such offers and sales are made. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 263.

Other Jurisdictions

The distribution of the Preliminary Placement Document and this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession the Preliminary Placement Document and this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the BSE or the NSE. Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 255.

Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting delivery of the Preliminary Placement Document and this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, each purchaser of the Equity Shares will be deemed to have represented, agreed and acknowledged as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in reliance upon Regulation S and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S), and such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any "directed selling efforts" as defined in Regulation S.

- It understands that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and other applicable U.S. state securities laws.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or any of the Book Running Lead Managers for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares and (v) have no need for liquidity with respect to the investment in the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment.

- It has been provided access to the Preliminary Placement Document and this Placement Document which it has read in its entirety.

- It agrees to indemnify and hold the Company and each of the Book Running Lead Managers harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold any of the Company or the Book Running Lead Managers liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by the Company.

It acknowledges that the Company and the BRLMs and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify the Company and the BRLM. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes the Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company, or the BRLMs or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SECC Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SECC Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India and was the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, the BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Listing and delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act, and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations, SEBI Listing Regulations. The SCRA and the SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing

Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further, the SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, to govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding at 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except public sector undertakings) at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at four stages of the index movement, at 5%, 10%, 15% and 20%. The stock exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform, BOLT Plus

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to inter alia prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to, *inter alia*, continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies are governed by the SEBI Takeover Regulations which provide specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provide for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer. The SEBI Takeover Regulations were further amended on June 22, 2020 to exempt any acquisitions by way of preferential issue from the obligation to make an open offer. Subsequently, the Takeover Regulations were amended on August 13, 2021 exempting (a) persons, together with persons acting in concert with him, holding shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company; and (b) promoter of the target company, together with persons acting in concert with him, from making continual disclosures in relation to aggregate shareholding and voting rights in the target company. Further, the amendment has also removed certain disclosure obligations for acquirers/promoters, pertaining to acquisition or disposal of shares aggregating to 5% and any change of 2% thereafter, annual shareholding disclosure and creation/invocation/release of encumbrance registered in depository systems under the Takeover Regulations. These relaxations have been given on account of implementation of the System Driven Disclosures ("**SDD**").

SEBI Insider Trading Regulations

SEBI had earlier notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 to prohibit and penalise insider trading in India. The regulations, among other things, prohibited an 'insider' from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, *inter alia*, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations. The SEBI Insider Trading Regulations also provide for disclosure obligations for promoters, employees, and directors, with respect to their shareholding in the company, and the changes therein.

Further, the board of directors or head(s) of the listed entities are required to maintain a structured digital database containing, inter alia, the nature of UPSI, the names of such persons who have shared the UPSI and the names of persons with whom such UPSI is shared under the SEBI Insider Trading Regulations.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of SEBI.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013 and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share Capital

The authorised share capital of our Company is ₹ 150,000,000 comprising of 125,000,000 Equity Shares of face value of ₹ 5 each and 2,500,000 Preference Shares of Rs 10 each. As on the date of this Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 101,160,520, comprising of 20,232,104 Equity Shares of face value of ₹ 5 each. The Equity Shares are listed on BSE and NSE.

Dividends

Under the Companies Act, 2013, an Indian company pays dividend upon a recommendation by its board of directors and subject to approval by a majority of the shareholders at the AGM held each fiscal year. The dividend on equity shares can be declared/paid only after declaration/payment of applicable dividend on preference shares. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013, no dividend can be declared or paid by a company for any fiscal except, among other things, out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal arrived at as laid down by the Companies Act, 2013. Further, under the Companies Act, 2013, a company is not permitted to declare any dividends unless carried over previous losses and depreciation not provided in previous year(s) are set off against the profit of the company for the current year.

Further, as per the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the event of inadequacy or absence of profits in any year, a company may declare dividend out of free reserves, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves of the company as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15.00% of the company's paid up share capital as per the most recent audited financial statement of the company.

According to the Articles of Association, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board. In addition, subject to the provisions of Section 123 of the Companies Act, 2013, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the Company. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit. The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

Capitalisation of profits and issue of bonus shares

In addition to permitting dividends to be paid as described above, the Companies Act permits the Board, subject to the approval of the Shareholders of our Company, to distribute to the Shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company’s free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the Shareholders in proportion to the number of equity shares owned by them.

Bonus shares can only be issued if the company has not defaulted in payments of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus or principal/interest payments on fixed deposits or debt securities issued by it. Bonus shares shall not be issued in lieu of dividend.

Pre-Emptive Rights and Alteration of share capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favor of any other person and the notice shall contain a statement of this right. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders.

Our Articles of Association provide that our Company in its General Meetings may, from time to time, by ordinary resolution, undertake any of the following:

- consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Companies Act, 2013;

- convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

- divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

- increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient

- cancel any shares which, at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled. A cancellation of shares pursuant to the Article of Association shall not be deemed to be a reduction of the share capital within the meaning of the Companies Act, 2013.

Issuance of Preference Shares

Subject to Section 55 of the Companies Act, any new shares may be issued as preference shares or convertible preference shares which are liable to be redeemed in any manner permissible under the Companies Act.

General meetings of shareholders

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. Our Company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board may convene an EGM when necessary or at the request of a shareholder in accordance with the Companies Act. All General Meetings shall be convened by giving not less than clear twenty-one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Shorter notice is permitted if consent is received from 95% of the Shareholders entitled to vote at such meeting.

As per the provisions of the Companies Act and the Articles of Association, all general meetings other than Annual General Meetings shall be called Extraordinary General Meetings. The Board may, whenever it thinks fit, call an Extraordinary General Meeting. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. The quorum for a general meeting shall be a provided in the Companies Act. The Chairman of the Company shall preside as Chairman at every general meeting of the Company.

Voting rights

Subject to provisions of the Companies Act and in accordance with the Articles of Association, subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member holding Equity Shares and present in person shall have one vote and on a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid-up equity share capital of the Company. A member may exercise his vote at a meeting by electronic means in accordance with the Companies Act and shall vote only once. In the case of joint holders first named of such joint holders in the Register of Members who tender a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the Rules made thereunder, If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARIES UNDER THE APPLICABLE LAWS IN INDIA

October 3, 2024

To,

The Board of Directors
Sundaram-Clayton Limited
"Chaitanya", No. 12, Khader Nawaz Khan Road,
Nungambakkam, Chennai – 600006

Reference: **Proposed Qualified Institutional Placement ("QIP") of equity shares of face value of ₹ 5 each of Sundaram-Clayton Limited (the "Company" and such placement, the "Issue", and such equity shares, the "Equity Shares")**

Subject: **Statement of possible tax benefits available to Sundaram-Clayton Limited, its Shareholders and Material Subsidiary under the Indian tax laws, prepared in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations")**

1. We, M/s Raghavan, Chaudhuri & Narayanan (the "**Firm**"), Chartered Accountants, the statutory auditors of the Company hereby confirm the enclosed statement in the **Annexure A**("**Statement**") prepared and issued by the Company, which provides the possible tax benefits under Income-tax Act, 1961 ('**Act**') presently in force in India viz. the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2025-26 relevant to the financial year 2024-25, available to the Company, its Shareholders and its Material Subsidiary. Several of these benefits are dependent on the Company, its Shareholders and its Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its Shareholders and its Material Subsidiary to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its Shareholders and its Material Subsidiary face in the future, the Company, its Shareholders and its Material Subsidiary may or may not choose to fulfil.

2. The possible tax benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this Statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the Statement, have not been examined and covered by this Statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

3. We do not express any opinion or provide any assurance whether:

   - The Company, its Shareholders and its Material Subsidiary will continue to obtain these benefits in future;
   - The conditions prescribed for availing the benefits have been/would be met;
   - The revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and

complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing tax laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

5. We confirm that the information in this certificate is true, fair and accurate, and is in accordance with the requirements of the Companies Act, 2013 as amended ("**Companies Act**"), the SEBI ICDR Regulations and other applicable law, and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context.

6. This certificate is for information and for inclusion (in part or full) in the preliminary placement document, placement document or any other document in relation to the Issue (collectively, "**Issue Documents**") or any other Issue-related material, and may be relied upon by the Company, the BRLMs and the legal advisor appointed by the Company in relation to the Issue. We hereby consent to the submission of this certificate as may be necessary to SEBI, the Registrar of Companies, Tamil Nadu at Chennai ("**RoC**"), to the National Stock Exchange of India Limited ("**NSE**") or the BSE Limited ("**BSE**") (collectively, "**Stock Exchanges**"), any other regulatory or statutory authority and/or for the records to be maintained by the BRLMs and in accordance with applicable law.

7. We hereby consent to this certificate being disclosed by the BRLMs, if required

   (i) by reason of any law, regulation or order of a court or by any governmental or competent regulatory or statutory authority in connection with the contents of the Issue Documents, or

   (ii) in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation in connection with the contents of the Issue Documents.

8. We confirm that we will immediately communicate any changes in writing in the above information to the BRLMs until the date when the Equity Shares proposed to be issued pursuant to the Issue commence trading on the relevant Stock Exchanges. In the absence of any such communication from us until the Equity Shares proposed to be issued pursuant to the Issue commence trading on the relevant Stock Exchanges, the BRLMs and the legal advisors, can assume that there is no change to the above information.

Yours sincerely,

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Regn. No. 007761S

V Sathyanarayanan
Partner
Membership No. 027716
Date: October 3, 2024
UDIN: 24027716BKCNRU5928

Encl: Management Annexure detailing Possible Tax benefits

Annexure – A

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS and MATERIAL SUBSIDIARIES UNDER THE APPLICABLE LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company, its Shareholders, and its Material Subsidiary under the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**'). These possible special tax benefits are dependent on the Company, its Shareholders and its Material Subsidiary fulfilling the conditions prescribed under the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**'). Hence, the ability of the Company or its Shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

A. Special tax benefits available to the Company

The following special tax benefits would be available to the Company after fulfilling conditions as per the respective provisions of the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**'):

(a) In accordance with the provisions of Section 115BAA of the Income Tax Act,1961, a domestic company is entitled to avail a concessional rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions. The option to apply this tax rate is available from FY 2019-20 relevant to AY 2020-21 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the company not availing any of the following specified tax exemptions/incentives under the Act:

- Deduction u/s 10AA: Tax holiday available to units in a Special Economic Zone;
- Deduction available under the Chapter VI-A except under section 80JJAA and section 80M;
- Deduction u/s 32(1) (iia): Additional Depreciation;
- Deduction u/s 32AD: Investment allowance;
- Deduction u/s 35AD: Deduction for capital expenditure incurred on specified business;
- Deduction under certain sub-sections/ clauses of Section 35: Expenditure on scientific research.

The total income of a company availing the concessional rate of 22% is required to be computed without set -off of any carried forward loss and depreciation attributable to any of the aforesaid deductions/incentives. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 139(1) of the Act. Further, provisions of Minimum Alternate Tax **('MAT')** under section 115JB of the Act shall not be applicable to companies availing this reduced tax rate, thus, any carried forward MAT credit also cannot be claimed.

The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

(b) In accordance with the provisions of Section 80M of the IT Act, dividend received by the company from any other domestic company or a foreign company or a business trust, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by the company on or before one month prior to due date of furnishing the income-tax return under Section 139(1) of the IT Act for the relevant year, be allowed.

Further, any deduction, in respect of the amount of dividend distributed by the domestic company, has been allowed under Section 80M (1) of the IT Act in any previous year, no deduction shall be allowed in respect of such amount in any other previous year.

B. Special tax benefits available to Shareholders

The Shareholders of the Company are not eligible to any special tax benefits under the Income-tax Act, 1961, the Income-tax Rules, 1962, ('**Rules**').

C. Special Tax benefits available to Material Subsidiary

The Material Subsidiary of the Company is incorporated outside India, hence not eligible to any special tax benefits under the Income-tax Act, 1961, the Income-tax Rules, 1962, (‘**Rules**’).

LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, including those which arise in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes, criminal proceedings, regulatory actions and civil proceedings, which are pending before various adjudicating forums.

As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations, as approved by the Board in its meeting held on August 11, 2023.

*Additionally, solely for the purpose of the Issue, our Company has disclosed in this section, to the extent applicable (i) all outstanding criminal proceedings involving our Company, our Subsidiaries, our Directors and our Promoters; (ii) all outstanding actions (including show-cause notices) by any statutory or regulatory authority against our Company, our Subsidiaries, our Directors and our Promoters; (iii) all outstanding civil proceedings involving our Company and its Subsidiaries, where the amount involved in such proceeding exceeds ₹ 4.90 crores i.e., 5% of the average of absolute value of profit or loss after tax from total operations as per the audited consolidated financial statements for the last three financial years ("**Materiality Threshold**"). The Materiality Threshold was approved by the QIP Committee pursuant to its resolution dated October 3, 2024; (iv) consolidated disclosure of the direct and indirect tax matters involving our Company and our Subsidiaries; (v) any other outstanding litigation involving our Company and our Subsidiaries wherein the amount involved cannot be determined or is below the Materiality Threshold, but an adverse outcome of which could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis and (vi) any other outstanding litigation involving our Promoters and our Directors wherein an adverse outcome could materially and adversely affect the reputation, operations or financial position of our Company, on a consolidated basis.*

Further, except as disclosed below and in the other sections of this Placement Document, as on the date of this Placement Document, (i) there is no litigation or legal actions pending or taken by any ministry or department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of circulation of this Placement Document and no directions have been issued by any ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or the Companies Act, 1956 in the last three years immediately preceding the year of circulation of this Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or Subsidiaries; (iii) there are no defaults in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon and (d) any loan obtained from any bank or financial institution and interest thereon by our Company, as of the date of this Placement Document; (iv) there are no material frauds committed against us in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; or (vii) there are no reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of this Placement Document.

It is clarified that for the purposes of the above, pre-litigation notices received by any of our Company, our Subsidiaries, our Directors and/or our Promoters from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not be considered as litigation proceedings till such time that any of our Company, our Subsidiaries, our Directors and/or our Promoters, are impleaded as parties in any such litigation proceedings before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

Litigation involving our Company

Criminal proceedings involving our Company

<u>By our Company</u>

Nil

Against our Company

Nil

Material civil litigation involving our Company

By our Company

Nil

Against our Company

Nil

Actions taken by regulatory and statutory authorities involving our Company

Nil

Litigation involving our Subsidiaries

(i) Sundaram Holding USA Inc. ("SHUI")

Criminal proceedings involving SHUI

Nil

Material civil litigation involving SHUI

Nil

Actions taken by regulatory and statutory authorities involving SHUI

Nil

(ii) Sundaram-Clayton (USA) Limited ("SCUL")

Criminal proceedings involving SCUL

Nil

Material civil litigation involving SCUL

Nil

Actions taken by regulatory and statutory authorities involving SCUL

Nil

(iii) Sundaram Clayton GmbH

Criminal proceedings involving Sundaram Clayton GmbH

Nil

Material civil litigation involving Sundaram Clayton GmbH

Nil

Actions taken by regulatory and statutory authorities involving Sundaram Clayton GmbH

Nil

(iv) SCL Properties Private Limited ("SPPL")

Criminal proceedings involving SPPL

Nil

Material civil litigation involving SPPL

Nil

Actions taken by regulatory and statutory authorities involving SPPL

Nil

Litigation involving our Directors

Criminal proceedings involving our Directors

Nil

Material civil litigation involving our Directors

Nil

Actions taken by regulatory and statutory authorities involving our Directors

Nil

Litigation involving our Promoters

Criminal proceedings involving our Promoters

Nil

Material civil litigation involving our Promoters

Nil

Actions taken by regulatory and statutory authorities involving our Promoters

Nil

Other outstanding litigation involving our Directors and Promoters wherein an adverse outcome could materially and adversely affect the reputation, operations or financial condition of our Company, on a consolidated basis

Nil

Tax proceedings

We have set out below claims relating to direct and indirect taxes involving our Company and our Subsidiaries in a consolidated manner giving details of number of cases and total amount involved in such claims:

(₹ in crores)

Nature of case	Number of cases	Amount involved*
Company		

Nature of case	Number of cases	Amount involved*
Direct Tax	Nil	Nil
Indirect Tax	6	15.93
Total	**6**	**15.93**
Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Total	**Nil**	**Nil**

* *To the extent quantifiable*

Defaults in repayment of statutory dues*

As on date of this Placement Document, there are no defaults in repayment of statutory dues.

**Tax litigations of income tax, GST, sales tax, custom, etc. involving tax liabilities, if any and pending at various forums are sub judice and therefore not considered as defaults until the final order is received.*

STATUTORY AUDITORS

In term of the provisions of Section 139 of the Companies Act, M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, were re-appointed as the Statutory Auditors pursuant to a resolution adopted by our Shareholders at the AGM held on July 27, 2021 for a first term of five years.

The Audited Consolidated Financial Statements have been audited by our Statutory Auditors, M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants.

The peer review certificate of our Statutory Auditors is valid as of the date of this Placement Document.

FINANCIAL INFORMATION

INDEPENDENT AUDITOR'S REPORT

To the members of

Sundaram-Clayton Limited
(formerly known as Sundaram-Clayton DCD Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act 2013, ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2024, the consolidated loss, the consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI)*, together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion on the consolidated financial statements.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of the most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have no reportable Key Audit Matters.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors and management are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report. Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance, for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that gives a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate, in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the each of the companies in the Group and its associate, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its associate, are responsible for overseeing the financial reporting process of each of the companies in the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher, than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its associate which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the companies in the Group and its associate, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group and its associate, to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The accompanying consolidated financial statements include 7 subsidiaries located outside India whose financial information and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian accounting standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's Management. These financial statements have not been audited by their respective auditors, which reflects total assets (before consolidation adjustments) of 1052.60 crores as at 31st March, 2024, total revenue (before consolidation adjustments) of ₹ 113.50 crores, total net loss after tax (before consolidation adjustments) of ₹ 182.48 crores for the year ended 31st March, 2024, total net cash outflows (before consolidation adjustments) of ₹ 12.42 crores for the year ended on that date, as considered in the consolidated annual financial statements. These unaudited financial statements and other unaudited financial information have been furnished to us by the management.

   Our opinion on the consolidated annual financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters based on the audit procedures carried out by us on separate financial statements of the subsidiaries and the financial statements/ financial information certified by the Management.

2. The Consolidated Financial Statements also include the Group's share of net profit of Rs 0.22 crore for the year ended 31st March, 2024, as considered in the Consolidated Financial Statements, in respect of 1 associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management.

   In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act and read with relevant rules made thereunder;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company and associate company incorporated in India, none of the directors of the Holding company and its associate company incorporated in India, is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those companies;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. - Refer Note 36(i) to the consolidated financial statements;

      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31st March, 2024;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its associate company incorporated in India;

      (iv) (a) The Management of the Company which is a company incorporated in India, whose financial statement have been audited under the Act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (b) The Management of the Company which is a company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

(v) As stated in Note No. 35(b) to the consolidated financial statements dividend paid and declared during the year by the company is in compliance with section 123 of the Companies Act, 2013;

(vi) Based on our examination which includes test checks the holding Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the software. During our audit we did not come across any instance of the audit trail feature being tampered with.

Further, the Group includes 7 subsidiaries located outside India for which the requirement of audit trail does not apply.

Furthermore, the Group includes 1 associate whose books are unaudited. In our opinion and according to the information and explanations given to us by the Management, this unaudited financial statement is not material to the Group.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31st March, 2024.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, the subsidiaries included in the consolidated financial statements are located outside India and do not require to obtain the CARO report as required by the Act. Further, based on the CARO report issued by us for the company we report that there are no qualification or adverse remarks given.

for RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN : 24027716BKCNNM6558

Place : Chennai
Date : 10th May, 2024

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2024, we have audited the internal financial controls over financial reporting of Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) (hereinafter referred to as the 'Holding Company') and its associate company which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company which is a company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the company and its associate company, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its associate company which are incorporated in India, have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the guidance note on audit of internal financial controls over financial reporting issued by Institute of Chartered Accountants of India.

Other Matter

The accompanying consolidated financial statements includes financial statements and other financial information of 7 subsidiaries located outside India, which reflects total assets (before consolidation adjustments) of 1052.60 crores as at 31st March, 2024, total revenue (before consolidation adjustments) of Rs. 113.50 crores, total net loss after tax (before consolidation adjustments) of Rs. 182.48 crores for the year ended 31st March, 2024, total net cash outflows (before consolidation adjustments) of Rs 12.42 crores for the year ended on that date. The requirement of reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable on these subsidiaries.

Our opinion is not modified with respect to the above matter

for RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

V. SATHYANARAYANAN
Partner
Membership No. 027716
UDIN : 24027716BKCNNM6558

Place : Chennai
Date : 10th May, 2024

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Consolidated Balance Sheet as at March 31, 2024

(Rupees In crores)

Particulars	Note No.	As at March 31, 2024
ASSETS		
(1) Non-current Assets		
(a) Property, plant and equipment	2	1,473.43
(b) Capital work in progress	2	330.10
(c) Other intangible assets	3	0.49
(d) Financial assets		
i. Investments	4A	24.59
ii. Investments accounted using Equity method	4B	1.31
iii. Other financial assets	5	9.53
(e) Other non-current assets	6	52.05
Total Non-Current Assets		**1,891.50**
(2) Current Assets		
(a) Inventories	7	370.67
(b) Financial assets		
i. Trade receivables	8	292.88
ii. Cash and cash equivalents	9	14.42
iii. Bank balances other than (ii) above	10	10.42
iv. Other financial assets	5	26.45
(c) Other current assets	11	67.62
Total Current Assets		**782.46**
Total Assets		**2,673.96**
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	12	10.12
(b) Other Equity	13	590.04
Equity attributable to owners		**600.16**
(c) Non-controlling Interest	13	-
Total Equity		**600.16**
Liabilities		
(1) Non-Current Liabilities		
(a) Financial liabilities		
i. Borrowings	14	755.47
ii. Lease liability		3.78
(b) Provisions	15	17.86
(c) Deferred tax liabilities (Net)	16	16.94
(d) Other non-current liabilities	17	10.84
Total Non-Current Liabilities		**804.89**
(2) Current Liabilities		
(a) Financial liabilities		
i. Borrowings	18	661.90
ii. Lease liability		4.57
iii. Trade Payables	19	
(A) total outstanding dues of micro enterprises and small enterprises		22.53
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		421.88
iv. Other financial liabilities	20	57.51
(b) Other current liabilities	17	51.86
(c) Provisions	15	46.47
(d) Current Tax Liabilities (Net)		2.19
Total Current Liabilities		**1,268.91**
Total Liabilities		**2,073.80**
Total Equity and Liabilities		**2,673.96**
Material Accounting Policies	1	

The accompanying notes are an integral part of these financial statements

R GOPALAN
Chairman
DIN: 01624555

Dr. LAKSHMI VENU
Managing Director
DIN: 02702020

AJAY KUMAR
Chief Financial Officer

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

Date: 10th May 2024
Place: Chennai

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716
Date: 10th May 2024
Place: Chennai

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Statement of Consolidated Profit and Loss for the period ended March 31, 2024

(Rupees In crores)

	Particulars	Note No.	Period ended March 31, 2024
I	Revenue from operations	21	1,415.31
II	Other Income	22	33.88
III	**Total Income (I + II)**		**1,449.19**
IV	**EXPENSES**		
	Cost of materials consumed	23	763.95
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(7.51)
	Employee benefit expenses	25	222.86
	Finance costs	26	57.47
	Depreciation and amortisation expense	27	103.24
	Other expenses	28	405.17
	Total Expenses (IV)		**1,545.18**
V	**Profit/(Loss) before exceptional items, share of net profit of investment and tax (III-IV)**		**(95.99)**
VI	**Share of net profit from associates using equity method**		0.22
VII	**Profit/(Loss) before exceptional items and tax (V+VI)**		**(95.77)**
VIII	Exceptional items - income/(expense)	28A	(1.60)
IX	**Profit/(Loss) before tax (VII+VIII)**		**(97.37)**
X	Income tax expense		
	i) Current tax	29	27.04
	ii) Deferred tax charge/(credit)	30	(4.28)
XI	**Profit/(Loss) for the period (IX-X)**		**(120.13)**
	Profit/(Loss) attributable to Non-controlling Interest		**-**
	Profit/(Loss) attributable to Owners		**(120.13)**
XII	**Other comprehensive income**		
	A. Items that will not be reclassified to profit and loss:		
	Remeasurement of post employment benefit obligations		(1.69)
	Change in fair value of equity instruments		-
	Income tax relating to these items		0.43
	B. Items that will be reclassified to profit and loss		
	Transactions relating to Derivative instruments		(0.45)
	Income tax relating to these items		0.11
	Other comprehensive income for the period, net of tax		**(1.60)**
	Other Comprehensive income attributable to non-controlling interest		**-**
	Other Comprehensive income attributable to Owners		**(1.60)**
XIII	**Total comprehensive income attributable to Owners (XI+XII)**		**(121.73)**
XIV	**Earnings per equity share**		
	Basic & Diluted earnings per share	31	(59.38)
	The accompanying notes are an integral part of these financial statements		

R GOPALAN
Chairman
DIN: 01624555

Dr. LAKSHMI VENU
Managing Director
DIN: 02702020

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

V SATHYANARAYANAN
Partner
Membership No.:027716
Date: 10th May 2024
Place: Chennai

Date: 10th May 2024
Place: Chennai

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Consolidated Cash Flow Statement for the period ended March 31, 2024

(Rupees In crores)

	Particulars		Period ended March 31, 2024
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit/(loss) before tax		(97.37)
	Add: Depreciation and amortisation for the period	103.24	
	Loss on sale/scrapping of property, plant and equipment	0.01	
	Profit on sale of property, plant and equipment	(0.20)	
	Unrealised exchange (gain) / loss	(2.11)	
	Dividend income	(0.42)	
	Interest income	(1.03)	
	Interest expense	57.47	
	Net (profit)/ loss from Associate using equity method	(0.22)	
			156.74
	Operating profit before working capital changes		**59.37**
	Adjustments for:		
	Inventories	36.28	
	Trade Receivables	(41.79)	
	Other financial assets	(13.59)	
	Other bank balances	(10.42)	
	Other non-current assets	(18.32)	
	Other current assets	(52.42)	
	Trade Payables	51.88	
	Provisions	40.15	
	Other financial liabilities (excluding current maturities of debt)	3.83	
	Other non-current liabilities	10.84	
	Other current liabilities	4.47	
			10.91
	Cash generated from operations		70.28
	Direct taxes paid		(24.78)
	Net cash from operating activities (A)		**45.50**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Additions to property, plant and equipment (including Capital work in progress)		(273.28)
	Sale of property, plant and equipment		0.72
	Purchase of investments		(11.50)
	Net profit/(loss) from Associate using equity method		0.22
	Interest received		1.03
	Dividend received		0.42
	Net movement on account of demerger		4.81
	Net Cash from/(used in) investing activities (B)		**(277.58)**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

	Particulars		Period ended March 31, 2024
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net Borrowings:		
	Term loans availed/(repaid)		(16.27)
	Short term borrowings availed/ (repaid)		229.12
	Interest paid		(52.00)
	Repayment of lease liabilities		(9.83)
	Net cash inflow/ (outflow) from financing activities (C)		**151.02**
D	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		(81.06)
	Cash and cash equivalents at the beginning of the period		
	Cash and Bank balances	95.48	
	Cash credit balance	-	95.48
	Cash and cash equivalents at the end of the period		
	Cash and Bank balances	14.42	
	Cash credit balance	-	14.42

CHANGE IN LIABILITY ARISING FROM FINANCING ACTIVITIES

Particulars	Notes	Balance as at the beginning of the period	Cash flow	Non-cash changes		Mar 31, 2024
				Fair value change	Foreign exchange movement	
Long term borrowings	14	771.74	(16.27)	-	-	**755.47**
Short term borrowings	18	432.78	229.12	-	-	**661.90**

Notes:
The above statement has been prepared in indirect method except in case of dividend, tax and purchase and sale of investments which have been considered on the basis of actual movement of cash.

R GOPALAN
Chairman
DIN: 01624555

Dr. LAKSHMI VENU
Managing Director
DIN: 02702020

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

V SATHYANARAYANAN
Partner
Membership No.:027716
Date: 10th May 2024
Place: Chennai

Date: 10th May 2024
Place: Chennai

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Statement of Changes in Equity for the period ended March 31, 2024

(Rupees In crores)

A. Equity Share Capital (Refer Note 12)

As at the beginning of the period	**-**
Changes in Equity share capital during the period	**10.12**
As at Mar 31, 2024	**10.12**

B. Other Equity (Refer Note 13)

Particulars	Reserves and surplus				Other reserves			Non Controlling Interest	Total
	General reserve	Retained earnings	Capital Reserve	Total	Fair Value through Other Comprehensive Income	Hedging reserve	Foreign currency translation reserve		
Balance as at the beginning of the period	-	-	-	-	-	-	-	-	-
Transferred in pursuance of Composite scheme of arrangement	224.84	244.20	145.50	**614.54**	(4.55)	0.92	105.52	-	**101.89**
Add : Profit/(loss) for the period		(120.35)		**(120.35)**				-	-
Add : Other comprehensive income		(1.26)		**(1.26)**	-	(0.34)		-	**(0.34)**
Add / (Less) : Associate profit adjustment		0.22		**0.22**				-	
Total Comprehensive Income for the period	**-**	**(121.39)**	**-**	**(121.39)**	**-**	**(0.34)**	**-**	**-**	**(0.34)**
Add / (Less) : Issue of Non-Convertible redeemable Preference shares during the period (NCRPS)		(0.86)		**(0.86)**				-	-
Adjustment due to composite scheme of arrangement [Refer Note : 36 (iv)]	-	4.94		**4.94**	-	-	-	-	-
Add/(less) : Movements in reserve							1.68	-	**1.68**
Less: Interim Dividends declared during the period	-	(10.42)	-	**(10.42)**	-	-	-	-	-
Balance as at Mar 31, 2024	**224.84**	**116.47**	**145.50**	**486.81**	**(4.55)**	**0.58**	**107.20**	**-**	**103.23**

R GOPALAN
Chairman
DIN: 01624555

Dr. LAKSHMI VENU
Managing Director
DIN: 02702020

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

V SATHYANARAYANAN
Partner
Membership No.:027716
Date: 10th May 2024
Place: Chennai

Date: 10th May 2024
Place: Chennai

Consolidated Financial Statements of *Sundaram-Clayton Limited*

1. Material Accounting Policies

The accounting policies mentioned herein are relating to the Consolidated financial statements of Sundaram-Clayton Limited and its subsidiaries and associates.

a) Brief description of the Company

Sundaram-Clayton Limited ('the Company') is a public limited company incorporated in India whose shares are publicly traded. The registered office is located at "Chaitanya", 12, Khader Nawaz Khan Road, Nungambakkam Chennai – 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in the activities of manufacturing automotive components.

During the year under review, the entire manufacturing business of TVS Holdings Limited (formerly known as Sundaram-Clayton Limited) was demerged, transferred and vested into Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) effective 11th August 2023 on going concern basis in accordance with the Composite Scheme of Arrangement ("Scheme") amongst TVS Holdings Limited (formerly Sundaram-Clayton Limited) and TVS Holdings Private Limited and VS Investments Private Limited and Sundaram-Clayton Limited (formerly Sundaram-Clayton DCD Limited) and their respective shareholders and creditors sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its Order dated 6th March 2023.

b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Group's financial statements have been prepared on a going concern basis.

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain assets and liabilities (as per the accounting policy below), which have been measured at fair value. These financial statements for the year ended 31st March 2024 have been approved and authorised for issue by the Board of Directors at its meeting held on 10th May 2024.

Principles of Consolidation

Business Combination:

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together, items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. (This is generally the case where the Group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. The estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgment or complexity. It also provides an overview of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with the information about the basis of calculation for each affected line item in the financial statements

d) Significant estimates and judgments

The areas involving significant estimates or judgments are:

i) Estimation of fair value of unlisted securities - (Refer Note 33 (iii))

ii) Estimation of defined benefit obligation - (Refer Note 32)

iii) Estimation of useful life of Property, Plant and Equipment - (Refer Note 1(i) and 1(j))

iv) Estimation of Expected Credit Loss on Trade receivables (Refer Note 34A)

e) Cost Recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Group.

f) Revenue recognition

i) Sale of automotive components:

Revenue is recognized when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

ii) Sale of Services:

Revenue from Services is recognised in the accounting period in which the services are rendered.

iii) Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Material Accounting Policies - *(continued)*

g) Dividend:

Any dividend declared by Company is based on the profits available for distribution as reported in the statutory Standalone financial statements. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory Standalone financial statements after providing for depreciation as per the Companies Act, 2013.

However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014.

h) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation / amortization and impairment, if any. Cost includes:

i) purchase price,

ii) taxes and duties,

iii) labour cost, and

iv) Directly attributable overheads incurred up to the date the asset is ready for its intended use.

However, cost excludes GST, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Government grants relating to the purchase of property, plant and equipment are capitalized and included as cost to property,plant & equipment.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other gains/ (losses).

i) Depreciation

i) Depreciation on tangible property,plant & equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated by a Chartered Engineer, on straight line method and in accordance with Ind AS 16, taking into consideration both usage, useful life and legal limitations on the use of assets, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

ii) The estimated useful life of the tangible property,plant & equipments as assessed by the Chartered Engineer and followed by the Group is furnished below:

Description	Years
Factory building and other buildings	30 to 64
Plant and Equipment	8 to 21
Electrical Equipment	15
Furniture and Fixtures	10
Computers	3
Mobile phones	1
Vehicles	6

iii) The residual value for all the above assets are retained at 5% of the cost except for Mobile phones for which nil residual value is considered. Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

iv) On tangible property,plant & equipments added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

v) Depreciation in respect of tangible assets costing individually less than Rs.5,000/- is provided at 100%.

vi) Premium on Leasehold land is amortized over the period of lease.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Material Accounting Policies - *(continued)*

j) Intangible assets

Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 34 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2 years in the case of software.

k) Impairment

At each balance sheet date, the Group assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

When necessary, the entire carrying amount of the Equity accounted investments is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's/CGU's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit) for which the estimates of future cash flows have not been adjusted.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). i.e. in Indian rupees (INR) and all values are rounded off to nearest crores except where otherwise indicated.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

(a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

(b) Non-monetary items denominated in foreign currency such as investments, property,plant & equipments, etc., are valued at the exchange rate prevailing on the date of transaction.

(c) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities are translated at the closing rate at the date of that balance sheet

(b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

(c) all resulting exchange differences are recognised in other comprehensive income.

m) Hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their

Material Accounting Policies - *(continued)*

fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects the Statement of Profit and Loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss within other gains/ (losses).

n) Inventories

Inventories are valued at the lower of cost and net realizable value.

i. Cost of raw materials, components, stores, spares are determined on a moving average basis.

ii. Finished Goods and Work in Progress are valued at Standard cost.

iii. Cost of finished goods and work-in-process comprises of direct materials, direct labour and an applicable proportion of variable and fixed overhead expenditure, fixed overhead expenditure absorbed on the basis of normal operating capacity.

iv. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

v. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

o) Employee benefits

i) <u>Short term obligations:</u>

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized upto the end of the reporting period at the amounts expected to be paid at the time of settlement.

Material Accounting Policies - *(continued)*

ii) Other long term employee benefit obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, recognized and provided for at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for eligible senior managers; and

b) Defined contribution plan such as provident fund.

a) Pension and gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

b) Provident fund:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Group. The Group is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognizes such contributions and shortfall, if any, as an expense in the year in which it is incurred.

iv) Bonus plans:

The Group recognizes a liability and an expense for bonus. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

p) Taxes on income

Tax expense comprises of (i) current tax and (ii) deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Material Accounting Policies - *(continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

q) Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes receivable.

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss as and when the obligations are fulfilled and presented within other income.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in “Other Income” on completion of export obligation as approved by Regulatory Authorities.

r) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is accounted based on technical evaluation, when the products are sold.

Provisions are evaluated at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The group operates in only one segment – Die casting of Automotive components

t) Leases

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Material Accounting Policies - *(continued)*

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognized in profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

u) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

v) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

w) Contract Liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the consideration is received. Contract liabilities are recognized as revenue when the Group performs under the contract.

x) Investments and Other financial assets

i) <u>Classification</u>

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- Those measured at amortized cost.

Material Accounting Policies - *(continued)*

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Equity instruments:

The Group subsequently measures all investments in equity (except of the subsidiaries / associates) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Group elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognized in the statement of profit and loss.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 34(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or

b) The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Dividend income:

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

y) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gain/(loss).

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Material Accounting Policies - *(continued)*

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for over or atleast 12 months after the reporting period.

z) Current and Non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. In Group's considered view, twelve months is its operating cycle for all entities within the Group.

aa) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

ab) Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

2. PROPERTY, PLANT & EQUIPMENT

Description	Property, Plant & Equipment								
	Freehold land	Leasehold Land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Right to Use Asset	Total
	1	2	3	4	5	6	7	8	9
Gross block									
As at the beginning of the period	38.93	45.94	512.21	1,876.29	12.83	7.22	37.57	59.37	2,590.36
Additions	-	-	0.16	104.61	-	0.44	2.19	1.70	109.10
Foreign currency translation reserve	0.11		1.43	3.19	0.02	-	0.02	(1.68)	3.09
Sub-total	39.04	45.94	513.80	1,984.09	12.85	7.66	39.78	59.39	2,702.55
Sales / deletion	-	-	(0.25)	(0.54)	(0.02)	-	-	-	(0.81)
Total	**39.04**	**45.94**	**513.55**	**1,983.55**	**12.83**	**7.66**	**39.78**	**59.39**	**2,701.74**
Depreciation									
As at the beginning of the period	-	(2.30)	(96.34)	(966.53)	(8.28)	(3.89)	(24.03)	(25.34)	(1,126.71)
For the period	-	(0.32)	(8.11)	(87.41)	(0.55)	(0.31)	(1.97)	(4.16)	(102.83)
Foreign currency translation reserve	-	-	(0.18)	(0.55)	(0.01)	-	(0.01)	1.70	0.95
Sub-total	-	(2.62)	(104.63)	(1,054.49)	(8.84)	(4.20)	(26.01)	(27.80)	(1,228.59)
Withdrawn on assets sold / deleted	-	-	-	0.26	0.02	-	-	-	0.28
Total	**-**	**(2.62)**	**(104.63)**	**(1,054.23)**	**(8.82)**	**(4.20)**	**(26.01)**	**(27.80)**	**(1,228.31)**
Net Carrying amount as at March 31, 2024	**39.04**	**43.32**	**408.92**	**929.32**	**4.01**	**3.46**	**13.77**	**31.59**	**1,473.43**
CAPITAL WORK-IN-PROGRESS (AT COST)									
(a) Building									218.58
(b) Plant & equipment									109.61
(c) Others									1.91
Total									**330.10**

Ageing of Capital work-in- progress as on March 31, 2024:

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	286.63	43.07	-	0.40	330.10

i) There were no material projects which have exceeded their original plan cost as at March 31, 2024

ii) Project which has exceeded its original timeline :

Project	Amount
Automation of Material handling process	0.40

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

3. INTANGIBLE ASSETS:

Description	**Software**
Gross block	
As at the beginning of the period	13.42
Additions	0.28
Sub-total	13.70
Sales / deletion	-
Total	**13.70**
Amortisation	
As at the beginning of the period	(12.80)
For the period	(0.41)
Sub-total	(13.21)
Withdrawn on assets sold / deleted	-
Total	**(13.21)**
Net Carrying amount as at March 31, 2024	**0.49**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

4A NON CURRENT INVESTMENTS

Sl. No.	Name of the body corporate	Subsidiary / associate	No. of shares / units As at March 31, 2024	Face Value	Currency	Partly paid / fully paid	As at March 31, 2024
(a)	**Investment in Equity Instruments measured at FVOCI**						
	Unquoted :						
(i)	Green Infra BTV Limited, New Delhi (formerly known as TVS Energy Limited)	Others	4,500,000	10.00	INR	Fully paid	4.50
(ii)	Sai Regency Power Corporation Private Limited, Chennai	Others	375,000	10.00	INR	Fully paid	0.38
(iii)	Nagai Power Private Limited, Hyderabad.	Others	133,010	10.00	INR	Fully paid	0.13
(iv)	Clean Max Genesis Pvt Ltd	Others	58,224	10.00	INR	Fully paid	11.22
	Quoted :						
(i)	Tulsyan NEC Limited, Chennai	Others	163,125	10.00	INR	Fully paid	0.50
	Total value of Equity Instruments (A)						**16.73**
(b)	**Other non-current Investments measured at FVTPL**						
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai	Others			INR	Fully paid	1.18
(ii)	Life Insurance Corporation Pension Policy, Chennai	Others			INR	Fully paid	7.05
	Total value of Other non-current Investments (B)						**8.23**
	Total (A) + (B)						**24.96**
	Less: Aggregate amount of impairment in value of investments						(0.37)
	Total						**24.59**
	Aggregate amount of quoted investments and market value thereof						1.37
	Aggregate amount of unquoted investments						24.46
	Aggregate amount of impairment in value of investments						(0.37)
	Total						**25.46**

4B	Investments in Associates accounted using Equity method						
Sl. No.	**Name of the body corporate**	**Subsidiary / associate**	**No. of shares / units As at March 31, 2024**	**Face Value**	**Currency**	**Partly paid / fully paid**	**As at March 31, 2024**
(i)	Sundram Non Conventional Energy Systems Limited, Chennai	Associate	117,650	10.00	INR	Fully paid	1.31
	Total						**1.31**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

		As at March 31, 2024
5	**OTHER FINANCIAL ASSETS**	
	Non-current	
	Rental deposits	9.53
	Total	**9.53**
	Current	
	Unsecured, Considered Good :	
	Employee Advances	3.65
	Claims receivable	17.88
	Derivatives (Forwards,POS,Call spread,IRS)	0.52
	Duty Drawback receivable	4.40
	Total	**26.45**
6	**OTHER NON-CURRENT ASSETS**	
	Capital advances	25.70
	Advances - other than capital advances:	
	Statutory and other deposits	23.10
	Prepaid expenses	2.92
	Accrued lease rental asset	0.33
	Total other non-current assets	**52.05**
7	**INVENTORIES (AT WEIGHTED AVERAGE COST OR NET REALISABLE VALUE WHICHEVER IS LESS)**	
	Raw materials and components	36.33
	Goods-in-transit - Raw materials and components	6.10
	Work-in-progress	35.89
	Finished goods	221.45
	Stores and spares	70.90
	Total Inventories	**370.67**
8	**TRADE RECEIVABLES**	
	Secured, considered good	-
	Unsecured, considered good	292.88
	Doubtful	9.84
	Sub total	302.72
	Less: Loss Allowance	9.84
	Total Trade Receivables *	**292.88**

* Refer note 37 for receivables from related parties

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

Ageing for trade receivables as on March 31, 2024						
Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed trade receivables - Considered good	292.88	-	-	-	-	292.88
(ii) Undisputed trade receivables - Which have significant increase in credit risk	-	5.14	2.13	2.32	0.25	9.84
(iii) Undisputed trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables - Considered good	-	-	-	-	-	-
(v) Disputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables - Credit impaired	-	-	-	-	-	-
Less: Allowance for Expected Credit loss	-	(5.14)	(2.13)	(2.32)	(0.25)	(9.84)
Total Trade Receivables as on Mar 31, 2024	**292.88**	**-**	**-**	**-**	**-**	**292.88**

		As at March 31, 2024
9	**CASH AND CASH EQUIVALENTS**	
	Balances with banks	14.29
	Bank Deposits with maturity of more than three months and less than twelve months	0.10
	Cash on hand	0.03
	Total Cash and Cash equivalents	**14.42**
10	**OTHER BANK BALANCES**	
	Earmarked balances with banks - Unpaid dividend	10.42
	Total Other Bank balances	**10.42**
11	**OTHER CURRENT ASSETS**	
	Indirect taxes receivable	25.80
	Prepaid expenses	7.29
	Vendor advances	26.02
	Export incentives receivable	1.13
	Employee benefit assets *	1.11
	Statutory deposits	6.27
	Total other current assets	**67.62**

* Refer Note 32 for employee benefit obligations

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

12 SHARE CAPITAL

(a) **Details of authorised, issued and subscribed share capital**

(i) **Equity Share Capital**

Particulars	As at March 31, 2024	
	Number	**Rs in Crores**
Authorised Capital		
Equity Shares of Rs.5/- each	25,000,000	12.50
Issued, Subscribed & Paid up Capital		
Equity Shares of Rs.5/- each fully paid	20,232,104	10.12
	20,232,104	**10.12**

(ii) **Preference Share Capital**

Particulars	As at March 31, 2024	
	Number	**Rs in Crores**
Authorised Preference share Capital		
Preference Shares of Rs.10/- each	2,500,000	2.50
Issued, Subscribed & Paid up Capital		
0.1% Cumulative Non-convertible Redeemable Preference Shares Rs.10/- each fully paid (NCRPS)	873,032	0.87
	873,032	**0.87**

Note: The Group has issued NCRPS by utilising the reserves as per Composite Scheme of Arrangement (Refer 36 iv), the same has been accounted as financial liability as per "Ind AS -32 Financial Instruments: Presentation" and disclosure under Current borrowings (refer note: 18)

(b) **Reconciliation of shares outstanding at the beginning and at the end of the period**

(i) **Equity Share Capital**

Particulars	As at March 31, 2024	
	Number	**Rs in Crores**
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	20,232,104	10.12
Shares outstanding at the end of the period	**20,232,104**	**10.12**

(ii) **Preference Share Capital**

Particulars	As at March 31, 2024	
	Number	**Rs in Crores**
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	873,032	0.87
Shares outstanding at the end of the period	**873,032**	**0.87**

(c) **i) Rights and preferences attached to equity share:**

Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act 2013.

There are no restrictions attached to equity shares.

ii) Rights attached to NCRPS share:

The NCRPS do not have voting rights other than in respect of matters directly affecting it, The NCRPS will be redeemed along with coupon at the end of 1 year from the date of allotment.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

(d) **Details of shares held by holding/ultimate holding/subsidiaries/associates of holding company at the end of 31st March 2024 for both Equity and Preference Share Capital**

Name of Shareholder	Relationship	Class of Share	As at March 31, 2024	
			No. of Shares held	% of Holding
VS Trust (Mr Venu Srinivasan, Trustee)	Controlling Entity	Equity	10,323,122	51.02

Name of Shareholder	Relationship	Class of Share	As at March 31, 2024	
			No. of Shares held	% of Holding
Nil	Nil	Preference	Nil	

(e) **Details of shareholders holding more than five percent at the end of 31st March 2024 (other than 12 (d)) above**

Name of Shareholder	Class of Share	As at March 31, 2024	
		No. of Shares held	% of Holding
SBI Long Term Equity Fund	Equity	1,921,616	9.50
Sundaram Finance Holdings Limited- Chennai		1,514,378	7.49

Name of Shareholder	Class of Share	As at March 31, 2024	
		No. of Shares held	% of Holding
Sundaram Finance Holdings Limited- Chennai	Preference	175,667	20.12
Aditya Birla Sun Life Mutual Fund		85,923	9.84
Govindlal M Parikh		53,114	6.08

(f) **Details of shares held by promoters**

Name of the Promoters	Class of Share	As at Mar 31, 2024	
		No. of Shares held	% of Holding
VS Trust (Mr Venu Srinivasan, Trustee)	Equity	10,323,122	51.02
Mr Venu Srinivasan		966,600	4.78

Name of the Promoters	Class of Share	As at Mar 31, 2024	
		No. of Shares held	% of Holding
VS Trust (Mr Venu Srinivasan, Trustee)	Preference	NIL	
Mr Venu Srinivasan			

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

13 OTHER EQUITY

Particulars	As at March 31, 2024
General reserve	224.84
Retained earnings	116.47
Capital Reserve	145.50
Foreign currency translation reserve	107.20
Other reserves	(3.97)
Total reserves and surplus	**590.04**
Non-controlling interest	-

Nature and Purpose of reserves

i) **General reserve**:- General reserve is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

ii) **Retained earnings**:- Retained earnings are the accumulated profits earned by the Group till date, less transfer to general reserves, dividend and other distributions made to the shareholders.

iii) **Capital reserves**:- This represents reserves created in pursuant to Composite Scheme of arrangement.

iv) **Foreign currency translation reserve** :- It represents exchange differences arising from translation of financial statements of foreign operations into the Group's functional currency as per INDAS 21.

v) **Other reserves**:- Other reserves represents Other Comprehensive Income and Hedging reserve created as per INDAS 109.

14 - LONG TERM BORROWINGS

Description	Security	No. of instalments due	Frequency	Maturity	As at March 31, 2024
Secured:					
State owned corporation - SIPCOT	First and exclusive charge on specific plant and equipments of the Company	1	Bullet payment	Apr-31	8.78
Rupee Term loan II - HDFC Bank	First pari passu charge - 50% security on plant and machinery	15	Quarterly	Dec-27	130.00
Foreign Currency Non-resident Borrowings (FCNR(B)) III - SBI Bank	Hypothecation of all current assets	19	Quarterly	Dec-28	95.49
USD Term Loan - HSBC Singapore	Pari passu charge on fixed assets	9	Half yearly	Dec-24	88.32
USD Term Loan - Axis bank	Pari passu charge on fixed assets	1	Bullet payment	Jun-24	244.85
Unsecured :					
Non Convertible Debentures		2	Yearly	Aug-25	99.99
Rupee Term loan III - EXIM Bank		18	Quarterly	Sep-27	162.04
Rupee Term Loan IV - Indus Ind Bank		8	Quarterly	Mar-27	137.62
USD Term Loan - HSBC Gift city		1	Bullet payment	Apr-24	66.72
Total Borrowings :					**1,033.81**
Less : Current Maturities of long-term borrowings (Refer Note No. 18)					(278.34)
Total Long-term Borrowings					**755.47**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

Amount payable in each instalment other than bullet repayments:

Description	Currency	Type of Repayments	Interest
Rupee Term loan II - HDFC bank	INR	Structured instalments	3M Tbill + Margin
Rupee Term loan III - EXIM Bank	INR	Structured instalments	MCLR plus Margin
Foreign Currency Non-resident Borrowings (FCNR(B)) III - SBI Bank	USD	Structured instalments	6 Months SOFR plus margin
Non Convertible Debentures	INR	INR 50 Crores - from Aug-24	7.65%
Rupee Term Loan IV - Indus Ind Bank	INR	Structured instalments	8.00%
USD Term Loan - HSBC Singapore	USD	Structured instalments	6 Months SOFR plus margin
USD Term Loan - HSBC Gift city	USD	USD 8 Million in Apr 24	1 Month SOFR plus margin
USD Term Loan - Axis bank	USD	USD 30 Million in Jun 24	3 Months SOFR plus margin

15 PROVISIONS

Particulars	March 31, 2024	
	Current	**Non-current**
Employee benefits (Refer Note 32)		
(a) Pension	3.45	5.94
(b) Leave salary	0.79	7.92
	4.24	**13.86**
Others		
(a) Warranty	3.93	-
(b) Disputed tax provided for	10.48	-
(c) Customer provisions	27.82	-
(d) Other provisions	-	4.00
Total	**46.47**	**17.86**

Movement in provisions during the period

Particulars	Warranty	Disputed tax provided for
Balance as at the beginning of the period	3.90	2.32
Additional provisions made during the period	0.03	8.16
Amounts utilised	-	-
Closing balance as on Mar 31, 2024	3.93	10.48

16 DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2024
Depreciation	29.68
Employee benefits	(4.44)
Financial assets & Financial liabilities	(3.77)
Others	(4.53)
Total deferred tax liabilities	**16.94**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

Movement in deferred tax liabilities / (assets)

Particulars	Depreciation	Employee benefits	Financial assets & Financial liabilities	Others	Total
As At the beginning of the period	**30.56**	**(4.10)**	**(1.44)**	**(3.26)**	**21.76**
Charged/(credited):					
- to statement of profit and loss	(0.88)	0.09	(2.22)	(1.27)	(4.28)
- to other comprehensive income	-	(0.43)	(0.11)	-	(0.54)
At Mar 31, 2024	**29.68**	**(4.44)**	**(3.77)**	**(4.53)**	**16.94**

	As at March 31, 2024
17 OTHER LIABILITIES	
Non current	
Government Grant - Deferred income	10.84
Total	**10.84**
Current	
Statutory dues	6.08
Advance received from customers	30.82
Government Grant - Deferred income	1.52
Other payables	13.44
Total	**51.86**
18 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)	
0.1% Non Convertible Redeemable Preference Shares (Refer Note 12)	0.87
Repayable on demand from banks	
Secured	225.21
Unsecured	157.48
Current maturities of Long term borrowings	278.34
Total Borrowings under Current Liabilities	**661.90**

Details of securities created for secured loans repayable on demand:

First charge by way of hypothecation and / or pledge of all current assets viz., inventories of raw materials, semi finished and finished goods, stores and spares, bills receivable, book debts and all other current assets.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

	As at March 31, 2024
19 TRADE PAYABLES	
Current	
Dues to Micro and Small Enterprises **	22.53
Dues to enterprises other than Micro and Small Enterprises	421.88
Total Trade payables *	**444.41**

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no undisputed overdues on Principal and no interest due or outstanding.

* Refer note 37 for Payables to Related Parties

Ageing for Trade Payables as on March 31, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	22.17	0.08	0.01	0.27	22.53
Others	373.10	35.31	9.82	3.65	421.88
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Total	**395.27**	**35.39**	**9.83**	**3.92**	**444.41**

	As at March 31, 2024
20 OTHER FINANCIAL LIABILITIES	
Non current	
Derivatives	-
	-
Current	
Interest accrued but not due on loans	9.21
Unpaid Dividends	10.42
Employee related liabilities	37.36
Derivatives	0.52
Total other current financial liabilities	**57.51**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

		For the period ended March 31, 2024
21	**REVENUE FROM OPERATIONS**	
	Sale of products	1,401.33
	Other operating revenue	13.98
	Total revenue *#	**1,415.31**

* Refer Note 38(A) for Disaggregated revenue from operations
# Refer Note 37 for revenue from related parties

22	**OTHER INCOME**	
	Dividend income*	0.42
	Interest income	1.03
	Gain on foreign currency transactions and translation	5.57
	Lease Income	2.68
	Profit on sale of Property, Plant & Equipment	0.20
	Miscellanous Income	23.98
	Total other income	**33.88**

*Refer note 37 for dividend income from related party

23	**COST OF MATERIALS CONSUMED**	
	Opening stock of raw materials and components (transferred in pursuant to composite scheme of arrangement)	40.06
	Add: Purchases*	760.22
		800.28
	Less:Closing stock of raw materials and components	36.33
	Consumption of raw materials and components	**763.95**

* Refer Note 37 for purchases from related parties

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

		For the period ended March 31, 2024
24	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:**	
	Opening stock: (transferred in pursuant to composite scheme of arrangement)	
	Work-in-progress	49.52
	Finished goods	200.31
	Total - (A)	**249.83**
	Closing stock:	
	Work-in-progress	35.89
	Finished goods	221.45
	Total - (B)	**257.34**
	Total (A)-(B)	**(7.51)**
25	**EMPLOYEE BENEFIT EXPENSE (REFER NOTE 32)**	
	Salaries, wages and bonus	189.60
	Contribution to provident and other funds	8.99
	Welfare expenses	24.27
	Total employee benefit expense*	**222.86**
26	**FINANCE COSTS**	
	Interest	56.91
	Interest on lease liabilities	0.41
	Other borrowing costs	0.15
	Total finance costs	**57.47**

* Refer Note 37 for remuneration and contribution paid to related parties

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

		For the period ended March 31, 2024
27	**DEPRECIATION AND AMORTISATION EXPENSE**	
	Depreciation on Property, Plant and Equipment	98.35
	Depreciation on Right-to-use asset	4.16
	Amortisation on Intangible assets	0.41
	Amortisation on leasehold land	0.32
	Total depreciation and amortisation expense	**103.24**
28	**OTHER EXPENSES ***	
	(a) Consumption of stores, spares and tools	53.64
	(b) Power and fuel	96.42
	(c) Repairs - buildings	16.85
	(d) Repairs - plant and equipment	55.08
	(e) Repairs - others	0.46
	(f) Insurance	9.05
	(g) Rates and taxes (excluding taxes on income)	11.67
	(h) Audit fees	1.07
	(i) Packing and freight charges	77.30
	(j) Loss on sale of Property, plant & equipment	0.01
	(k) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakh, whichever is higher)	83.62
	Total other expenses#	**405.17**

* Net of recoveries and claims made
[#] Refer Note 37 for related party transactions

28A	**EXCEPTIONAL ITEMS**	
	One time voluntary separation costs	(1.60)
	Total exceptional items	**(1.60)**
29	**CURRENT TAX**	
	Current tax	27.04
	Total current tax	**27.04**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

		For the period ended March 31, 2024
30	**DEFERRED TAX**	
	Decrease (increase) in deferred tax assets	(0.66)
	(Decrease) increase in deferred tax liabilities	(3.62)
	Total deferred tax expense / (benefit)	**(4.28)**
	Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	
	Particulars	
	Profit before tax expense	(97.37)
	Tax at the Indian tax rate of 25.17%	**-**
	`Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
	Dividend Income	(0.11)
	Expenses wholly/partially not allowed for deductions	0.06
	Tax payable on standalone basis	26.96
	Other items	(4.15)
	Tax expense / (benefit)	**22.76**
31	**EARNINGS PER SHARE**	
	Particulars	
	(a) Basic and diluted earnings per share (Rs.)	(59.38)
	(b) Earnings of Group used as numerator in calculating basic and diluted earnings per share	(120.13)
	(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,232,104

Earnings Per Share (EPS) of Rs.(59.38) as given above is after considering the exceptional expense of Rs.1.60 Crores. Excluding the exceptional expense, EPS is Rs.(58.59).

Notes on accounts – *(continued)*

(Rupees In crores)

32 EMPLOYEE BENEFIT OBLIGATIONS

Particulars	March 31, 2024		
	Current	Non-current	Total
Pension	3.45	5.94	9.39
Leave Salary	0.79	7.92	8.71
Gratuity	-	-	-
Total employee benefit obligations	**4.24**	**13.86**	**18.10**

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the period are as follows:

Particulars	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Balance as at the beginning of the period	-	-	-	-	-	-	-	-	-
Current service cost	0.51	-	0.51	-	-	-	-	-	-
Interest expense/income	0.87	-	0.87	0.32	-	0.32	0.26	-	0.26
Experience (gains)/losses			-	-	-	-	2.32	-	2.32
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.17	-	0.17
Total amount recognised in statement of profit and loss	**1.38**	**-**	**1.38**	**0.32**	**-**	**0.32**	**2.75**	**-**	**2.75**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/income	-	0.32	(0.32)	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.71	-	0.71	0.13	-	0.13	-	-	-
Experience (gains)/losses	1.07	-	1.07	(0.01)	-	(0.01)	0.11	-	0.11
Total amount recognised in other comprehensive income	**1.78**	**0.32**	**1.46**	**0.12**	**-**	**0.12**	**0.11**	**-**	**0.11**
Employer contribution	-	0.01	(0.01)	-	-	-	-	-	-
Benefit payments	(0.76)	-	(0.76)	(0.12)	-	(0.12)	(1.76)	-	(1.76)
Effect of Business combination /Disposal	23.00	26.18	(3.18)	9.07	-	9.07	7.61	-	7.61
March 31, 2024	**25.40**	**26.51**	**(1.11)**	**9.39**	**-**	**9.39**	**8.71**	**-**	**8.71**

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	Gratuity	Pension	Leave Salary
	March 31, 2024	March 31, 2024	March 31, 2024
Discount rate	6.97%	6.97%	6.97%
Salary growth rate	5.50%	5.50%	5.50%
Mortality rate	IALM (2006-08) Ultimate		

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at 58 years.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Details	**March 31, 2024**	**March 31, 2024**	
Discount rate	0.50%	24.06	26.85
Salary growth rate	0.50%	26.86	24.03
Mortality rate	5.00%	25.40	25.39

Pension	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Details	**March 31, 2024**	**March 31, 2024**	
Discount rate	1.00%	8.35	10.66
Salary growth rate	1.00%	10.72	8.29
Mortality rate	5.00%	9.32	9.47

Leave Salary	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Details	**March 31, 2024**	**March 31, 2024**	
Discount rate	0.50%	8.35	9.11
Salary growth rate	0.50%	9.11	8.35
Mortality rate	5.00%	8.72	8.72

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

(iii) Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined contribution plans:

The Group's contribution to defined contribution plan i.e., provident fund of Rs. 5.28 crores has been recognised in the Statement of Profit and Loss.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

33 FAIR VALUE MEASUREMENTS

Financial instruments by category	March 31, 2024		
	FVTPL	FVOCI	Amortized cost
Financial assets			
Investments			
- Equity instruments	-	16.36	1.31
- Others	8.23	-	-
Trade receivables	-	-	292.88
Cash & Cash Equivalents	-	-	24.84
Derivative financial assets	0.52	-	-
Security deposits	-	-	9.53
Other financial assets	-	-	25.93
Total financial assets	**8.75**	**16.36**	**354.49**
Financial liabilities			
Trade payables	-	-	444.41
Borrowings - Current	-	-	383.56
Borrowings - Non Current	-	-	755.47
Current Maturities of long term borrowings	-	-	278.34
Derivative financial liabilities	0.52	-	-
Lease Liabilities	-	-	8.35
Other financial liabilities	-	-	56.99
Total financial liabilities	**0.52**	**-**	**1,927.12**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

At March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<u>Financial assets at FVTPL:</u>					
Derivative financial asset	5	-	0.52	-	0.52
Equity Instruments	4A		8.23		8.23
<u>Financial assets at FVOCI:</u>					
<u>Investments</u>					
- Equity instruments	4A	0.50	-	15.86	16.36
- Others		-	-		-
Total financial assets		**0.50**	**8.75**	**15.86**	**25.11**
At March 31, 2024	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial liabilities					
<u>Financial liabilities at FVTPL:</u>					
Derivative financial liability	20	-	0.52	-	0.52
<u>Financial liabilities at FVOCI:</u>					
- Others		-	-	-	-
Total financial liabilities		**-**	**0.52**	**-**	**0.52**

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At March 31, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments - Equity instruments	4B	-	-	1.31	**1.31**
Trade receivables	8			292.88	**292.88**
Cash & Cash Equivalents	9,10			24.84	**24.84**
Security deposits	5			9.53	**9.53**
Other financial assets	5			25.93	**25.93**
Total financial assets		**-**	**-**	**354.49**	**354.49**
Financial Liabilities					
Borrowings	14,18	-	-	1,417.37	**1,417.37**
Trade payables	19			444.41	**444.41**
Lease Liabilities				8.35	**8.35**
Other financial liabilities	20			56.99	**56.99**
Total financial liabilities		**-**	**-**	**1,927.12**	**1,927.12**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.
The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

FVTPL - Fair value through statement of Profit and Loss; FVOCI - Fair value through Other Comprehensive Income.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

(iii) Fair value measurement using significant unobservable inputs (Level 3)

Particulars	Unlisted Equity Shares	Total
As at the beginning of the period	**5.73**	**5.73**
Additions / (deletions)	11.44	**11.44**
Gains/(losses) recognised in profit or loss	-	**-**
Gains/(losses) recognised in other comprehensive income	-	**-**
As at March 31, 2024	**17.17**	**17.17**

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	March 31, 2024	
	Carrying amount	Fair value
Financial assets		
Equity Instruments	1.31	1.31
Trade receivables	292.88	292.88
Cash & Cash Equivalents	24.84	24.84
Security deposits	9.53	9.53
Other financial assets	25.93	25.93
Total financial assets	**354.49**	**354.49**
Financial Liabilities		
Borrowings	1,417.37	1,417.37
Trade payables	444.41	444.41
Lease Liabilities	8.35	8.35
Other financial liabilities	56.99	56.99
Total financial liabilities	**1,927.12**	**1,927.12**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

34 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Market Risk - Foreign exchange		i) The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. ii) Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). iii) The risk is measured through a forecast of highly probable foreign currency cash flows. The Group has a forex management policy which is duly approved by the Board. iv) The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
Market Risk - Interest rate	Foreign currency denominated borrowings	i) The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow risk. ii) Group's policy is to maintain most of its borrowings at fixed rate using interest rate swaps. The Group's fixed rate borrowings are carried at amortised cost. iii) Foreign currency borrowings are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.
Market Risk - Foreign Currency	Export trade receivables and Import Payables	i) The Group has a forex management policy duly approved by the Board. The Group's policy is to hedge most of its net currency exposure. ii) Group reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
Market Risk - Foreign Currency	Foreign currency denominated borrowings	The Group has hedged its borrowings by covering the principal repayments using Principal Only Swaps and cost reduction structure viz., Call Spread under the approved Forex management policy.
Liquidity risk	Borrowings (Other than soft loans given by Govt. Authorities)	i) The Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. ii) The Group prepares a detailed annual operating plans to assess the fund requirements - both short term and long term. iii) Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. iv) Group has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. v) For long term fund requirements, Group targets various options such as rupee term loan, external commercial borrowing, debentures etc. vi) The Group obtains a credit rating for the various borrowing facilities on annual basis. Group constantly monitors the free cashflow from operations to ensure that the borrowings are minimized.
Credit Risk		i) Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. ii) The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. iii) To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. iv) It considers available reasonable and supportive forward-looking information (more specifically described below). v) A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which Group operates and other macro-economic factors.

Notes on accounts – *(continued)*

a.	Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
b.	Domestic Trade Receivables	i) The Group extends credit to the customers and such extension of credit is based on customers' credit worthiness, ability to repay and past track record. ii) The Group has extensive reporting systems and review to constantly monitor the receivables.
c.	Export Trade Receivables	The Group's export customers are Original Equipment Manufacturers with high credit rating. Export receivables are also covered through Insurance with Export Credit Guarantee Corporation of India Limited.

(A) Credit risk

Basis of recognition of expected credit loss & providing for such loss

<table>
<tr><th>Rating</th><th>Category</th><th>Description of category</th><th>Investments</th><th>Loans and deposits</th><th>Trade receivables</th></tr>
<tr><td>1</td><td>High Quality assets, negligible credit risk</td><td>Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.</td><td rowspan="3">12 month expected credit losses</td><td rowspan="3">12 month expected credit losses</td><td rowspan="5">Life time expected credit losses (simplified approach)</td></tr>
<tr><td>2</td><td>Quality assets, low credit risk</td><td>Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.</td></tr>
<tr><td>3</td><td>Standard Assets, moderate credit risk</td><td>Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.</td></tr>
<tr><td>4</td><td>Substandard Assets, relatively high credit risk</td><td>Assets where there has been a significant increase in credit risk since initial recognition.</td><td colspan="2" rowspan="2">Life time expected credit losses</td></tr>
<tr><td>5</td><td>Low quality assets, very high credit risk</td><td>Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.</td></tr>
<tr><td>6</td><td>Doubtful assets, credit impaired</td><td>Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.</td><td colspan="3">Asset is written off</td></tr>
</table>

(Rupees In crores)

March 31, 2024

a). Expected credit loss for investments, loans and other financial assets

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	1	Investments at amortised cost	-	-	-	-
	1	Other financial assets	35.46	-	-	35.46

b). Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	292.88	9.84	302.72
Expected loss rate	0%	100%	-
Expected credit losses	-	9.84	9.84
Carrying amount of trade receivables	292.88	-	292.88

Reconciliation of loss allowance provision - Trade receivables

Loss allowance as at the beginning of the period	**7.66**
Changes in loss allowance	2.18
Loss allowance as at Mar 31, 2024	**9.84**

(B) Liquidity risk

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating rate	March 31, 2024
- Expiring within one year (bank overdraft and other facilities)	179.01

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity ranging from 30 to 180 days.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

March 31, 2024

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	281.22	263.00	117.68	746.69	8.78	**1,417.37**
Trade payables	444.41	-	-	-	-	**444.41**
Lease liabilities	0.17	0.17	4.23	3.78	-	**8.35**
Other financial liabilities	57.51	-	-	-	-	**57.51**

Notes on accounts – *(continued)*

(Rupees In crores)

(C) Market risk

(i) Foreign exchange risk

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	March 31, 2024	
	USD	EUR
Financial assets		
Trade receivables	166.79	51.05
Derivatives	0.44	0.07
Exposure to foreign currency risk (assets)	**167.23**	**51.12**
Financial liabilities		
Foreign currency loan	95.57	36.25
Trade payables	9.82	0.58
Derivatives	0.48	0.03
Exposure to foreign currency risk (liabilities)	**105.87**	**36.86**
Net Exposure to foreign currency risk assets / (liabilities)	**61.36**	**14.26**

Note: Group has insignificant exposure to other foreign currencies and therefore the foreign currency risk of the same is immaterial

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Particulars	Impact on profit after tax*	Impact on other components of equity*
	March 31, 2024	March 31, 2024
USD sensitivity		
INR/USD Increases by 10%	6.14	-
INR/USD Decreases by 10%	(6.14)	-
EURO sensitivity		
INR/EURO Increases by 10%	1.43	-
INR/EURO Decreases by 10%	(1.43)	-

* Holding all other variables constant

(ii) Interest Rate risk

For short term borrowings the marginal cost of lending rate of the bank is followed. In respect of foreign currency borrowings for longer period, the interest rates are covered through interest rate swaps (IRS).

	March 31, 2024
Variable rate borrowings	544.73
Fixed rate borrowings	872.64

Sensitivity	Impact on profit after tax
	March 31, 2024
Increase in interest rates by 100 bps	(5.45)
Decrease in interest rates by 100 bps	5.45

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through other comprehensive income or at fair value through statement of profit and loss. To manage its price risk from investments in equity securities, the Group diversifies its portfolio. The impact of the changes in price risk is not material.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

(D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position as at March 31, 2024

Type of hedge and risks	Nominal value		Carrying amount hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Foreign exchange forward contracts	193.12	102.80	0.52	0.52	Apr'24 to Sep'24	2.01	(2.01)
Principal Only Swaps(POS), Interest Rate Swaps(IRS) & Call Spread	-	-	-	-	NA	(4.23)	4.23

ii) Disclosure of effects of hedge accounting on financial performance for the period ended March 31, 2024 :

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge :				
Foreign exchange forward contracts & IRS	0.45	1.77	-	-

Movements in Cash flow hedging reserve

Particulars	Forward Contracts	Interest Rate Swap	Total
Balance as at the beginning of the period	**0.58**	**0.34**	**0.92**
Change in fair value of hedging instruments net of tax	-	(0.45)	(0.45)
Reclassification to statement of profit and loss	-	-	-
Deferred tax on the above	-	0.11	0.11
Closing balance as at March 31, 2024	**0.58**	**-**	**0.58**

35 CAPITAL MANAGEMENT

(a) Risk management

The Group's objectives in regard to managing capital are
• safeguard its status as a going concern
• to ensure returns to shareholders
• to ensure benefits to stakeholders
• maintain an optimal capital structure to reduce the cost of capital.

In order to maintain optimum capital structure, the board may
• increase the capital by fresh issue of shares or
• reduce the same by return to equity holders
• vary the equity by increasing or reducing the quantum of dividend
Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:
Net debt divided by total equity

Gearing ratio refers to the level of a Group's debt compared to its total equity.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

The Group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Particulars	March 31, 2024
Net Debt	1,402.18
Total equity	600.16
Net Debt to equity ratio	**2.34**

The Group also monitors interest coverage ratio :
Group's Earnings Before Interest ,Taxes, Depreciation & Amortization (EBITDA) divided by interest .
The Group's strategy is to maintain a optimum interest coverage ratio. The interest coverage ratio were as follows:

Particulars	March 31, 2024
EBITDA	60.99
Interest	57.06
Interest coverage ratio	**1.07**

(b) Dividends

Particulars	March 31, 2024
Equity shares :	
Interim Dividend declared for the period ended Mar 31, 2024 (Rs.5.15/- per share)	10.42

36 OTHER DISCLOSURES

(i) Contingent liabilities

Details	March 31, 2024
(i) Claims against the Group not acknowledged as debt	
- Goods and Service Tax#	47.19
(ii) Guarantees excluding Financial Guarantees	-
(iii) Other money for which the Group is contingently liable	-
Total	**47.19**

#The Group has filed appeals with the respective appellate authorities in respect of these demands.

(ii) Capital commitments

Details	March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	267.23
Total	**267.23**

(iii) Borrowing costs capitalised :

Borrowing cost capitalised during the period Rs.10.56 Crores

The capitalisation rate used to determine borrowing costs to be capitalised is weighted average interest rate of 8.20%.

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

(iv) Composite scheme of arrangement :

During the year under review, the entire manufacturing business of TVS Holdings Limited (formerly known as Sundaram-Clayton Limited) was demerged, transferred and vested into Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) effective 11th August 2023 on going concern basis in accordance with the Composite Scheme of Arrangement (“Scheme”) amongst TVS Holdings Limited (formerly Sundaram-Clayton Limited) and TVS Holdings Private Limited and VS Investments Private Limited and Sundaram-Clayton Limited (formerly Sundaram-Clayton DCD Limited) and their respective shareholders and creditors sanctioned by the Hon’ble National Company Law Tribunal, Chennai Bench (“NCLT”) vide its Order dated 6th March 2023.

In terms of the Scheme, the Board had on 11th August 2023, issued and allotted the following shares in consideration of the Demerger to the shareholders of TVS Holdings Limited:

a) 1 (One) fully paid-up Equity Share of INR 5 each of the Resulting Company, for every 1 (One) Equity Share of INR 5 each held in the Company; and

b) 1 (One) fully paid-up Cumulative Non-Convertible Redeemable Preference Share of INR 10 each (“Preference Shares”) of the Resulting Company, for every 1,000 Preference Shares of INR 10 each held in the Company thereby resulting in a mirror shareholding of TVS Holdings Limited in the Company.

The equity shares of the Company were listed to trade on BSE Limited and National Stock Exchange of India Limited w.e.f. 29th December, 2023.

(v) Restated financial results

The comparative financial information of corresponding previous period taking the demerger into effect is given below:

Particulars	Period Ended 11th August 2022 to 31st March 2023
Revenue from Operations	1,310.40
Profit Before Tax (After Exceptional Item)	(55.19)
Profit After Tax (After Exceptional Item)	(68.84)

(vi) The comparative figures for the previous period are not presented as a part of the financial results as the amounts are insignificant.

(vii) Leases :

Group as a Lessee

The Group has taken plant & equipment on lease for lease period ranging 3-10 years

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the period is ₹ 2.21 crores

Payment made towards low value asset leases during the period: Nil

Payment relating to leases are disclosed in Cash flow statement.

Income from sub-leasing of Right of use asset: Nil

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

37 RELATED PARTY DISCLOSURE

LIST OF RELATED PARTIES

a) Reporting entity:		Sundaram-Clayton Limited, Chennai (SCL)
b) Controlling Entity	(i)	VS Trust (Mr Venu Srinivasan, Trustee)
c) Subsidiaries:	(i)	Sundaram-Clayton (USA) Limited, USA
	(ii)	Sundaram Holding USA Inc, Delaware, USA
	(iii)	Sundaram-Clayton Gmbh, Germany
		Subsidiary companies of Sundaram Holding USA Inc, Delaware, USA
	(i)	Green Hills Land Holding LLC, South Carolina, USA
	(ii)	Components Equipment Leasing LLC, South Carolina, USA
	(iii)	Sundaram - Clayton (USA) LLC, South Carolina, USA
	(iv)	Premier Land Holding LLC, South Carolina, USA
		Associate companies :
	(i)	Sundram Non-Conventional Energy Systems Limited, Chennai
d) Enterprises under Common control	(i)	TVS Holdings Limited, Chennai
	(ii)	TVS Motor Company Limited, Chennai
	(iii)	Sundaram Auto Components Limited, Chennai
	(iv)	TVS Credit Services Limited, Chennai
	(v)	Emerald Haven Realty Limited, Chennai
	(vi)	TVS Training and Services Limited, Chennai
e) Key management personnel (KMP)		
		Executive Directors:
	(i)	Mr. Venu Srinivasan, Chairman Emeritus & Managing Director
	(ii)	Dr . Lakshmi Venu, Managing Director
	(iii)	Mr. Vivek S Joshi, Director & CEO
		Non Executive Directors :
		Independent Directors:
	(i)	Ms.Sasikala Varadachari
	(ii)	Mr.C R Dua
	(iii)	Mr.R Gopalan
		Non Independent Directors :
	(i)	Mr. Rajesh Narasimhan
	(ii)	Mr. R Anandakrishnan (w.e.f. Nov 10, 2023)
f) Post employment benefit plans	(i)	Sundaram- Clayton Limited Employees Provident Fund, Chennai
	(ii)	Sundaram- Clayton Limited Employees Gratuity Fund , Chennai

Notes on accounts – *(continued)*

(Rupees In crores)

37 - RELATED PARTY TRANSACTIONS

Sl No	Nature of transactions	Name of the company	Controlling Entity	Associates	KMP	Relative of KMP	Other related party	Total
1	Purchase of goods	TVS Motor Company Limited, Chennai	-	-	-	-	9.70	9.70
			-	-	-	-	9.70	9.70
2	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai	-	-	-	-	263.29	263.29
			-	-	-	-	263.29	263.29
3	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	0.41	-	-	-	0.41
			-	0.41	-	-	-	0.41
4	Rendering of services	TVS Motor Company Limited, Chennai	-	-	-	-	2.30	2.30
		Sundaram Auto Components Limited, Chennai	-	-	-	-	1.37	1.37
		TVS Credit Services Limited, Chennai	-	-	-	-	0.70	0.70
		TVS Holdings Limited		-	-	-	1.44	1.44
		Emerald Haven Realty Limited, Chennai	-		-	-	0.72	0.72
			-	-	-	-	6.53	6.53
5	Receiving of services	Sundaram Auto Components Limited, Chennai	-				5.45	5.45
		TVS Training and Services Limited, Chennai	-				0.43	0.43
		TVS Motor Company Limited, Chennai	-				2.27	2.27
			-	-	-	-	8.15	8.15

Notes on accounts – *(continued)*

37 - Related party transactions (continued)

(Rupees In crores)

Sl No	Nature of transactions	Name of the company	Controlling Entity	Associates	KMP	Relative of KMP	Other related party	Total
6	Remuneration paid	Key Management Personnel	-	-	6.57	-	-	6.57
			-	-	6.57	-	-	6.57
7	Contribution to post employment benefit plan	Sundaram- Clayton Limited Employees Provident Fund, Chennai	-	-	-	-	8.90	8.90
		Sundaram- Clayton Limited Employees Gratuity Fund , Chennai	-	-	-	-	5.18	5.18
			-	-	-	-	14.08	14.08
8	Dividend received	Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.42	-	-	-	0.42
			-	0.42	-	-	-	0.42
9	Outstanding as on	TVS Motor Company Limited, Chennai			-	-	24.56	24.56
	Mar 31, 2024	Sundaram Auto Components Limited, Chennai	-		-	-	0.26	0.26
	Receivables	TVS Credit Services Ltd, Chennai	-		-	-	0.49	0.49
		Emerald Haven Realty Limited, Chennai	-		-	-	0.16	0.16
		TVS Holdings Limited					1.07	1.07
			-	-	-	-	26.54	26.54
10	Outstanding as on	TVS Motor Company Limited, Chennai	-		-	-	0.76	0.76
	Mar 31, 2024	Sundaram Auto Components Limited, Chennai	-		-	-	2.02	2.02
	Payables	Sundram Non-Conventional Energy Systems Limited, Chennai		0.01				0.01
		TVS Training and Services Limited, Chennai	-		-	-	0.11	0.11
			-	0.01	-	-	2.89	2.90

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

38 REVENUE FROM CONTRACT WITH CUSTOMERS

A **Disaggregated revenue**

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

Sl.No	Particulars	For the period ended March 31, 2024
A.	Type of goods or service	
1.	Automotive components	1,415.31
		1,415.31
B.	Geographical markets	
1.	Domestic	796.66
2.	Exports	618.65
		1,415.31

B The Group operates in the segment of Automotive components.

C **Reconciliation of contracts with customers**

Movement of contract liabilities for the reporting period given below:

Particulars	For the period ended March 31, 2024
Contract Liabilities at the beginning of the period	26.28
Add / (Less) :	
Consideration received during the year as advance	4.54
Contract Liabilities at the end of the period	**30.82**

Payment is received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

D **Transaction price allocated to the remaining performance obligations**

The Group's contracts with customers are short term(i.e.,the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E **Reconciliation of amount of revenue recognised in statement of profit and loss with the contracted price**

Particulars	March 31, 2024
Sale of Products	
Contract Price	1,415.31
Revenue recognised	**1,415.31**
Contract balances:	
a. Contract assets - Trade receivables (refer note 8)	292.88
b. Contract liabilities - Advance from Customers (refer note 17)	30.82

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

(Rupees In crores)

39 Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at Mar 31, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Principal activities
		March 31, 2024	**March 31, 2024**	
Sundaram-Clayton (USA) Limited, USA	USA	100.00%	0.00%	Automotive components
Sundaram Holding USA Inc., Delaware,USA	USA	100.00%	0.00%	Automotive components
Green Hills Land Holding LLC, USA	USA	100.00%	0.00%	Others
Component Equipment Leasing LLC, USA	USA	100.00%	0.00%	Others
Sundaram-Clayton USA LLC, USA	USA	100.00%	0.00%	Automotive components
Premier Land Holding LLC, USA	USA	100.00%	0.00%	Others
Sundaram - Clayton GmbH, Germany	Germany	100.00%	0.00%	Others

(b) Interests in associates and joint ventures

The Group has interests in 1 associate that is accounted using equity method.

Particulars	March 31, 2024
Aggregate carrying amount of associate	1.31

Particulars	March 31, 2024
Share of profits from associates	0.22
Other Comprehensive Income	-
Total Comprehensive Income	0.22

Notes on accounts – *(continued)*

40 ADDITIONAL INFORMATION ON NET ASSETS AND SHARE OF PROFITS AS AT MAR 31, 2024

(Rupees In crores)

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores	As % of other comprehensive income	Amount Rs. in crores	As % of total comprehensive income	Amount Rs. in crores
1	2	3	4	5	6	7	8	9
Parent								
Sundaram-Clayton Limited, Chennai	132.90%	797.61	(53.71%)	64.52	100.00%	(1.60)	(51.69%)	62.92
Subsidiaries - Foreign								
Sundaram-Clayton (USA) Limited, Illinois	(0.01%)	(0.06)	0.02%	(0.03)	0.00%	-	0.02%	(0.03)
Sundaram Holding USA Inc., Delaware, USA	74.35%	446.21	153.39%	(184.27)	0.00%	-	151.38%	(184.27)
Sundaram - Clayton GmbH, Germany	0.82%	4.90	(1.52%)	1.82	0.00%	-	(1.50%)	1.82
Sub-total		1,248.66		(117.96)		(1.60)		(119.56)
Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total		1,248.66		(117.96)		(1.60)		(119.56)
Add:								
Associates								
(Investment as per the equity method)								
Sundram Non-Conventional Energy Systems Limited , Chennai	0.22%	1.31	(0.18%)	0.22	0.00%	-	(0.18%)	0.22
Sub-total	208.27%	1,249.97	98.01%	(117.74)	100.00%	(1.60)	98.04%	(119.34)
Less: Effect of intercompany eliminations	108.27%	649.81	(1.99%)	2.39	0.00%	-	(1.96%)	2.39
Total - Attributable to owners	**100%**	**600.16**	**100%**	**(120.13)**	**100%**	**(1.60)**	**100%**	**(121.73)**

Note

The above amounts / percentage of net assets and net profit or (loss) in respect of the parent company, its subsidiaries and associates are determined based on the standalone financial statements amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Notes on accounts – *(continued)*

41 FLOOD RELATED DISCLOSURE

The floods in Chennai during December 2023, resulted in damages to certain inventories and property, plant and equipment in the facilities located at Padi unit. During the period ended Mar 31, 2024, the Group has recorded a net loss of INR 2.35 Crores after adjusting estimated insurance claim based on initial survey undertaken at these facilities. The Group has disclosed the related income and expenditure under Other income and respective expenditure heads, as applicable. In addition, the Group is in the process of determining its final claim for loss of property, plant and equipment, inventories and Business interruption and has accordingly not recorded any further claim arising therefrom at this stage.

42 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

ii) The Group does not have any investment property.

iii) The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.

iv) No proceedings have been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

v) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Group with such banks are in agreement with the books of accounts of the Group.

vi) The Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

vii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

viii) The details pertaining to compliance with the composite scheme of arrangement is mentioned in Note 36(iv).

ix) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

x) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"

xi) The Group has not operated in any crypto currency or Virtual Currency transactions

xii) During the period the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

R GOPALAN
Chairman
DIN: 01624555

Dr. LAKSHMI VENU
Managing Director
DIN: 02702020

AJAY KUMAR
Chief Financial Officer

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

Date: 10th May 2024
Place: Chennai

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716
Date: 10th May 2024
Place: Chennai

Consolidated Financial Statements of *Sundaram-Clayton Limited*

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Information in respect of each subsidiary

(₹ in Crores)

S.No	Particulars	Foreign Subsidiaries		
		Sundaram-Clayton (USA) Limited^*	Sundaram Holding USA Inc*	Sundaram Clayton Gmbh*
		(1)	(2)	(3)
1.	Date on which subsidiary was acquired	11-08-2023	11-08-2023	11-08-2023
2.	Reporting period	11-08-2023 to 31-03-2024		
3.	Reporting currency	USD	USD	EUR
	Closing Exchange rate	INR 83.41/USD	INR 83.41/USD	INR 89.88/EUR
4.	Share capital	0.0008	891.81	4.66
5.	Reserves & Surplus	(0.06)	(445.60)	0.24
6.	Total assets	0.15	1046.33	6.12
7.	Total Liabilities	0.21	600.12	1.22
8.	Investments	-	-	-
9.	Turnover	-	108.70	4.80
10.	Profit before taxation	(0.03)	(184.27)	1.90
11.	Provision for taxation	-	-	0.08
12.	Profit after taxation	(0.03)	(184.27)	1.82
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100	100	100

* Unaudited financial statement. ^ Share Capital of USD 100

Notes:

1. Sundaram Holding USA Inc. include the consolidation of its subsidiaries viz, Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram-Clayton USA LLC (Formerly known as Workspace Project LLC) and Premier Land Holding LLC, all located at South Carolina, USA.

Part "B": Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(₹ in Crores)

S.No	Name of Associate	Sundram Non-Conventional Energy Systems Limited*
1.	Latest audited Balance Sheet Date	31-03-2024
2.	Date on which the Associate was acquired	11-08-2023
3.	Shares of Associate held by the company on the year end	
(i)	No. of shares	1,17,650
(ii)	Amount of investment in Associate	0.12
(iii)	Extent of holding %	23.53
4.	Description of how there is significant influence	Holding more than 20% of share capital
5.	Reason why the associate/joint venture is not consolidated	Not Applicable
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	1.31
7.	Profit / (Loss) for the year:	
(i)	Considered in consolidation	0.22
(ii)	Not considered in consolidation	Not Applicable

Note :

Associates which have been liquidated or sold during the year – Nil.

* Unaudited financial statement.

R GOPALAN
Chairman
DIN: 01624555

VIVEK S JOSHI
Director & CEO
DIN: 09522758

Dr. LAKSHMI VENU
Managing Director
DIN: 02702020

P D DEV KISHAN
Company Secretary

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716
Date: 10th May 2024
Place: Chennai

Date: 10th May 2024
Place: Chennai

Independent Auditor's Report

To the Members of Sundaram-Clayton DCD Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sundaram-Clayton DCD Limited (formerly known as TVS Commodity Financial Solutions Private Limited) ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance, a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164(2) of the Act;

   (f) Reporting on internal financial controls over financial reporting as on 31st March 2023 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification.

   (g) With respect to the other matters to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      (i) There are no pending litigations as at 31st March 2023;

      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31st March 2023;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared any dividends during the year.

(vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Registration No.: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place : Bangalore
Date : 03-05-2023
UDIN: 23027716BGYLRT7649

<u>Annexure 'A' to Independent Auditors' Report - 31st March 2023 (Referred to in our report of even date)</u>

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(b) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company;

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute;

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

(b) Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs.11,877 & Rs. 28,544 covered by audit;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

xxi. In our Opinion and based on our examination the company is not required to prepare Consolidated Financial Statement.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place : Bangalore
Date : 03-05-2023
UDIN: 23027716BGYLRT7649

SUNDARAM - CLAYTON DCD LIMITED

(Formerly known as Sundaram- Clayton DCD Private Limited and TVS Commodity Financial Solutions Private Limited)

CIN: U51100TN2017PTC118316

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Balance Sheet as at March 31, 2023 **(Rs in 000's)**

Particulars	Note No.	As at 31st March 2023	As at 31st March,2022
ASSETS			
Current Assets			
Financial Assets			
-Cash and Cash Equivalents	2	23.98	24.06
Total Assets		**23.98**	**24.06**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	25.00	25.00
Other Equity	4	(136.21)	(124.33)
Total Equity		**(111.21)**	**(99.33)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	5	23.60	11.80
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	6	111.59	111.59
Total Liabilities		**135.19**	**123.39**
Total Equity And Liabilities		**23.98**	**24.06**

See acccompanying notes forming part of the financial statements 1 to 8

for **and on behalf of the Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

Vivek S Joshi
Director
DIN: 09522758

Sasikala Varadachari
Director
DIN: 07132398

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 03rd May 2023

Place: Chennai
Date: 03rd May 2023
UDIN: 23027716BGYLRT7649

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Statement of Profit and Loss for the year ended March 31, 2023 **(Rs in 000's)**

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022
Income			
Revenue from operations		-	-
Total Income		**-**	**-**
Expenses			
Other expenses	7	11.88	28.54
Total Expenses		**11.88**	**28.54**
Profit/(Loss) before tax		(11.88)	(28.54)
Tax expense:		-	-
Profit/(Loss) for the period		**(11.88)**	**(28.54)**
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		**(11.88)**	**(28.54)**
Earning per equity share:			
Basic & Diluted earnings per share	8	(0.00)	(0.01)

See acccompanying notes forming part of the financial statements 1 to 8

for **and on behalf of the Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

Vivek S Joshi
Director
DIN: 09522758

Sasikala Varadachari
Director
DIN: 07132398

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 03rd May 2023

Place: Chennai
Date: 03rd May 2023
UDIN: 23027716BGYLRT7649

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Statement of Changes in Equity **(Rs in 000's)**

A

Equity	**Note No.**	**Amount**
Balance as at April 1, 2020	3	25.00
Changes in Equity share capital during the year	3	-
Balance as at March 31, 2021		**25.00**
Changes in Equity share capital during the year	3	-
Balance as at March 31, 2022		**25.00**
Changes in Equity share capital during the year	3	-
Balance as at March 31, 2023		**25.00**

B

Other Equity	**Note No.**	**Retained Earnings**	**Total**
Balance as at April 1, 2020	4	(64.32)	(64.32)
Profit for the period	4	(31.47)	(31.47)
Other comprehensive income		-	
Balance as at March 31, 2021		**(95.79)**	**(95.79)**
Profit for the period	4	(28.54)	(28.54)
Other comprehensive income		-	
Balance as at March 31, 2022		**(124.33)**	**(124.33)**
Profit for the period	4	(11.88)	(11.88)
Other comprehensive income		-	
Balance as at March 31, 2023		**(136.21)**	**(136.21)**

for **and on behalf of the Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

Vivek S Joshi
Director
DIN: 09522758

Sasikala Varadachari
Director
DIN: 07132398

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 03rd May 2023

Place: Chennai
Date: 03rd May 2023
UDIN: 23027716BGYLRT7649

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Cash flow statement for the year ended March 31, 2023 **(Rs in 000's)**

Particulars		For the year ended 31st March 2023	For the year ended 31st March 2022
Cash Flow from Operating Activities			
Net profit/(Loss) before tax		(11.88)	(28.54)
Operating Profit before working capital changes			
(Increase)/Decrease in Loans & Advances			
Other Financial Liabilities		11.80	28.54
Net Cash from Operating Activities	**A**	**(0.08)**	**-**
Cash Flow from Investing Activities			
Sale / (Purchase) of investment			
Net Cash from / (used in) Investing activities	**B**	-	-
Cash Flow from Financing Activities			
Proceeds from Issue of Equity Shares			
Net Cash from Financing activities	**C**	-	-
Net change in Cash and Cash Equivalents (A+B+C)		**(0.08)**	**-**
Cash and Cash Equivalents as at End		**23.98**	**24.06**
Less: Cash and Cash Equivalents as at Beginning		**24.06**	**24.06**
Net Change In Cash & Cash Equivalents		**(0.08)**	**-**

See acccompanying notes forming part of the financial statements 1 to 8

for **and on behalf of the Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

Vivek S Joshi
Director
DIN: 09522758

Sasikala Varadachari
Director
DIN: 07132398

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 03rd May 2023

Place: Chennai
Date: 03rd May 2023
UDIN: 23027716BGYLRT7649

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram-Clayton DCD Private Limited and TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai -600006, India

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of TVS Commodity Financial Solutions Private Limited, and the name of the Company was changed to Sundaram - Clayton DCD Private Limited effective 8th February 2022, and the Company was subsequently converted into a Public Limited Company effective 24th February 2022, wholly owned subsidiary of Sundaram - Clayton Limited. The Company is yet to commence its business.

1. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of Financial statements

The Financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 as per general circular 15/2013 dated 13th September 2013 under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the Financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of Financial statement. The recognition, measurement, classification or disclosure of an item or information in the Financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

e. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

f. Related Party Disclosures:

Reporting Entity: Sundaram – Clayton DCD Limited

Relationship	Name
Enterprise having Control	Sundaram-Clayton Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

g. Transactions with Related Parties : Nil

For **and on behalf of the Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN:007761S

Vivek S Joshi
Director
DIN: 09522758
Place: Chennai
Date: 03-05-2023

Sasikala Varadachari
Director
DIN:07132398

V. Sathyanarayanan
Partner
Membership No.: 027716
Place: Chennai
Date: 03-05-2023
UDIN: 23027716BGYLRT7649

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Notes to Balance sheet **(Rs in 000's)**

Note No.	Particulars	Amount as at March 31, 2023	Amount as at March 31, 2022
2	**Cash and cash equivalents**		
	Balances with banks	23.98	24.06
	Total cash and cash equivalents	**23.98**	**24.06**

SUNDARAM - CLAYTON DCD LIMITED

(Formerly known as Sundaram- Clayton DCD Private Limited and TVS Commodity Financial Solutions Private Limited)

CIN: U51100TN2017PTC118316

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Notes to Balance sheet **(Rs in 000's)**

3	**Share Capital**	**No. of Shares**	**Amount**
(i)	**Authorised Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25.00
(ii)	**Issued, Subscribed and Fully Paid up Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25.00

(iii) Movement in equity share capital

	No. of Shares	**Amount**
Equity Shares as at April 1, 2020	2,500	25.00
Additions	-	-
Equity Shares as at March 31, 2021	**2,500**	**25.00**
Additions	-	-
Equity Shares as at March 31, 2022	**2,500**	**25.00**
Additions	**-**	**-**
Equity Shares as at March 31, 2023	**2,500**	**25.00**

(iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	**As at March 31, 2023**		**As at March 31, 2022**	
	No. of Shares	**%**	**No. of Shares**	**%**
Sundaram-Clayton Limited	2,500	100	2,500	100

(v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the

(vi) Details of shares held by promoters as at 31st March 2023

Name of Shareholder	Class of Share	**As at 31-03-2023**		**As at 31-03-2022**		
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	% Change during the
Sundaram-Clayton Limited	Equity	2,500	100.00	2,500	100.00	-
		2,500	**100.00**	**2,500**	**100.00**	

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Notes to Balance sheet **(Rs in 000's)**

Note No.	Particulars	Amount as at March 31, 2023	Amount as at March 31, 2022
4	**Other Equity**		
	Retained Earnings	(136.21)	(124.33)
	Total Other Equity	**(136.21)**	**(124.33)**
	Retained Earnings		
	Opening Balance	(124.33)	(95.79)
	Add: Net profit for the year	(11.88)	(28.54)
	Closing Balance	**(136.21)**	**(124.33)**

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Notes to Balance sheet **(Rs in 000's)**

Note No.	Particulars	Amount as at March 31, 2023	Amount as at March 31, 2022
5	**Trade Payables**		
	Current:		
	Dues to Micro and Small Enterprises	-	-
	Dues to enterprises other than Micro and Small Enterprises	23.60	11.80
	Total Trade Payables	**23.60**	**11.80**

Ageing for Trade Payables as on 31.03.2023

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-
Others	11.80	-	-	11.80	23.60
Disputed Dues - MSME	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Total	**11.80**	**-**	**-**	**11.80**	**23.60**

Ageing for Trade Payables as on 31.03.2022

Particulars	Outstanding for following period from due date of payment				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
MSME					
Others	-	-	-	-	-
Disputed Dues - MSME	-	-	-	11.80	11.80
Disputed Dues - Others	-	-	-	-	-
Total	**-**	**-**	**-**	**11.80**	**11.80**

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Notes to Balance sheet **(Rs in 000's)**

Note No.	Particulars	Amount as at March 31, 2023	Amount as at March 31, 2022
6	**Other Financial Liabilities**		
	Liabilities for Expenses	111.59	111.59
	Total Other Financial Liabilities	**111.59**	**111.59**

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as Sundaram- Clayton DCD Private Limited and
TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, India

Notes to Statement of Profit and Loss **(Rs in 000's)**

Note No.	Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
7	**Other Expenses**		
	Professional charges	-	14.00
	Rates and taxes	-	2.74
	Bank Charges	0.08	-
	Payment to Auditors		
	- As Statutory Auditors	11.80	11.80
	Total Other Expenses	**11.88**	**28.54**

8 **Basic and Diluted earnings per share attributable to the equity holders of the Company**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Earnings attributable to equity share holders	(11.88)	(28.54)
Number of Shares	2,500.00	2,500.00
Earnings per Share	(0.00)	(0.01)

Independent Auditor's Report

To the Members of Sundaram-Clayton DCD Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Sundaram-Clayton DCD Limited (formerly known as TVS Commodity Financial Solutions Private Limited) ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance, a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of section 164(2) of the Act;

   (f) Reporting on internal financial controls over financial reporting as on 31st March 2022 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification.

   (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      (i) There are no pending litigations as at 31st March 2022;

      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31st March 2022;

      (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

      (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared any dividends during the year.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Registration No.: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place : Bangalore
Date : 07th May, 2022
UDIN: 22027716AKZIND7402

<u>Annexure 'A' to Independent Auditors' Report - 31st March 2022(Referred to in our report of even date)</u>

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(b) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company;

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no statutory dues which have not been deposited on account of any dispute;

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a) (b) (c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs.28,544 & Rs. 31,466 covered by audit;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place : Bangalore
Date : 07th May, 2022
UDIN: 22027716AKZIND7402

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Balance Sheet as at March 31, 2022 **(In Rupees)**

Particulars	Note No.	As at 31st March,2022	As at 31st March,2021
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2	24,056	24,056
Total Assets		**24,056**	**24,056**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	25,000	25,000
Other Equity	4	(1,24,329)	(95,785)
Total Equity		**(99,329)**	**(70,785)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	5	11,800	11,800
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	6	1,11,585	83,041
Total Liabilities		**1,23,385**	**94,841**
Total Equity And Liabilities		**24,056**	**24,056**

See acccompanying notes forming part of the financial statements 1 to 8

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No. 027716

V Gopalakrishnan
Director
Din: 032971640

N Srinivasa Ramanujam
Director
DIN: 07384809

Place: Bangalore
Date: 07-05-2022
UDIN:22027716AKZIND7402

Place: Chennai
Date: 07-05-2022

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Statement of Profit and Loss for the year ended March 31, 2022 **(In Rupees)**

Particulars	**Note No.**	**For the year ended 31st March 2022**	**For the year ended 31st March 2021**
Income			
Revenue from operations		-	-
Total Income		**-**	**-**
Expenses			
Other expenses	7	28,544	31,466
Total Expenses		**28,544**	**31,466**
Profit/(Loss) before tax		(28,544)	(31,466)
Tax expense:		-	-
Profit/(Loss) for the period		**(28,544)**	**(31,466)**
Other Comprehensive Income			
Total Comprehensive Income for the period		**(28,544)**	**(31,466)**
Earning per equity share:			
Basic & Diluted earnings per share	8	(11)	(13)

See acccompanying notes forming part of the financial statements 1 to 8

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No. 027716

V Gopalakrishnan
Director
Din: 032971640

N Srinivasa Ramanujam
Director
DIN: 07384809

Place: Bangalore
Date: 07-05-2022
UDIN:22027716AKZIND7402

Place: Chennai
Date: 07-05-2022

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Statement of Changes in Equity **(In Rupees)**

A	Equity	Note No.	Amount
	Balance as at April 1, 2020	3	25,000
	Changes in Equity share capital during the year	3	-
	Balance as at March 31, 2021		**25,000**
	Changes in Equity share capital during the year	3	-
	Balance as at March 31, 2022		**25,000**

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2020	4	(64,319)	(64,319)
	Profit for the period	4	(31,466)	(31,466)
	Other comprehensive income		-	
	Balance as at March 31, 2021		**(95,785)**	**(95,785)**
	Profit for the period	4	(28,544)	(28,544)
	Other comprehensive income		-	
	Balance as at March 31, 2022		**(1,24,329)**	**(1,24,329)**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No. 027716

V Gopalakrishnan
Director
Din: 032971640

N Srinivasa Ramanujam
Director
DIN: 07384809

Place: Bangalore
Date: 07-05-2022
UDIN:22027716AKZIND7402

Place: Chennai
Date: 07-05-2022

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Cash flow statement for the period ended 31st March 2022 **(In Rupees)**

Particulars		**For the year ended 31st March 2022**	**For the year ended 31st March 2021**
Cash Flow from Operating Activities			
Net profit/(Loss) before tax		(28,544)	(31,466)
Operating Profit before working capital changes			
(Increase)/Decrease in Loans & Advances			
Other Financial Liabilities		28,544	31,112
Change in Working Capital		**28,544**	**31,112**
Net Cash from Operating Activities	**A**	**-**	(354)
Cash Flow from Investing Activities			
Sale / (Purchase) of investment			
Net Cash from / (used in) Investing activities	**B**	-	
Cash Flow from Financing Activities			
Proceeds from Issue of Equity Shares			
Net Cash from Financing activities	**C**	-	-
Net change in Cash and Cash Equivalents (A+B+C)		**-**	**(354)**
Cash and Cash Equivalents as at End		**24,056**	**24,056**
Less: Cash and Cash Equivalents as at Beginning		**24,056**	**24,410**
Net Change In Cash & Cash Equivalents		**-**	**(354)**

See acccompanying notes forming part of the financial statements 1 to 8

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No. 027716

V Gopalakrishnan
Director
Din: 032971640

N Srinivasa Ramanujam
Director
DIN: 07384809

Place: Bangalore
Date: 07-05-2022
UDIN:22027716AKZIND7402

Place: Chennai
Date: 07-05-2022

SUNDARAM - CLAYTON DCD LIMITED

(Formerly known as TVS Commodity Financial Solutions Private Limited)

CIN: U51100TN2017PTC118316

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of SUNDARAM - CLAYTON DCD PRIVATE LIMITED (formerly known as TVS Commodity Financial Solutions Private Limited), wholly owned subsidiary of Sundaram Clayton Limited. The Company is yet to commence its business.

1. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of Financial statements

The Financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting standards referred to in the Companies (Accounting Standards) Rules, 2006 as per general circular 15/2013 dated 13th September 2013 under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the Financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of Financial statement. The recognition, measurement, classification or disclosure of an item or information in the Financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

e. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

f. Related Party Disclosures:

Reporting Entity: Sundaram – Clayton DCD Private Limited

Relationship	**Name**
Enterprise having Control	Sundaram Clayton Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

g. Transactions with Related Parties

Sno	**Nature of Transaction**	**Name of the Related Party**	**Nature of Relationship**	**2021-22 Amount (Rs.)**	**2020-21 Amount (Rs.)**
1	Advance Received	TVS Credit Services Limited	Fellow Subsidiary	28,544	31,112
2	Balance Payable as at the end of the year	TVS Credit Services Limited	Fellow Subsidiary	1,11,585	83,041

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN**:**007761S

For **and on behalf of the Board of Directors**

V. Sathyanarayan

Partner
Membership No.: 027716

Gopalakrishnan Viswanathan
Director
DIN: 032971640

Srinivasa Ramanujam Narasimhan
Director
DIN: 07384809

Place: Bangalore
Date: 07-05-2022
UDIN: 22027716AKZIND7402

Place: Chennai
Date: 07-05-2022

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Notes to Balance sheet **(In Rupees)**

Note No.	Particulars	Amount as at March 31, 2022	Amount as at March 31, 2021
2	**Cash and cash equivalents**		
	Balances with banks	24,056	24,056
	Total cash and cash equivalents	**24,056**	**24,056**
3	**Share Capital**	**No. of Shares**	**Amount**
(i)	**Authorised Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25,000
(ii)	**Issued, Subscribed and Fully Paid up Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25,000
(iii)	**Movement in equity share capital**		
		No. of Shares	**Amount**
	Equity Shares as at April 1, 2020	2,500	25,000
	Additions	-	-
	Equity Shares as at March 31, 2021	**2,500**	**25,000**
	Additions	**-**	**-**
	Equity Shares as at March 31, 2022	**2,500**	**25,000**
(iv)	**Details of share holders holding more than 5% & Shares held by holding company**		
	Name of the Share Holder	**As at March 31, 2021**	
		No. of Shares	**%**
	TVS Credit Services Limited	2,500	1
	Name of the Share Holder	**As at March 31, 2022**	
		No. of Shares	**%**
	Sundaram-Clayton Limited	2,500	1
(v)	**Terms / Rights attached**		
	The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.		

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Notes to Balance sheet **(In Rupees)**

Note No.	Particulars	Amount as at March 31, 2022	Amount as at March 31, 2021
4	**Other Equity**		
	Retained Earnings	(1,24,329)	(95,785)
	Total Other Equity	**(1,24,329)**	**(95,785)**
5	**Trade Payables**		
	Particulars	**Amount as at March 31, 2022**	**Amount as at March 31, 2021**
	Current:		
	Dues to Micro and Small Enterprises	-	-
	Dues to enterprises other than Micro and Small Enterprises	11,800	11,800
	Total Trade Payables	**11,800**	**11,800**
6	**Other Financial Liabilities**		
	Particulars	**Amount as at March 31, 2022**	**Amount as at March 31, 2021**
	Liabilities for Expenses	1,11,585	83,041
	Total Other Financial Liabilities	**1,11,585**	**83,041**

SUNDARAM - CLAYTON DCD LIMITED
(Formerly known as TVS Commodity Financial Solutions Private Limited)
CIN: U51100TN2017PTC118316
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam Chennai TN 600006 IN

Notes to Statement of Profit and Loss **(In Rupees)**

Note No.	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
7	**Other Expenses**		
	Professional charges	14,000	17,700
	Rates and taxes	2,744	1,966
	Payment to Auditors		
	- As Statutory Auditors	11,800	11,800
	Total Other Expenses	**28,544**	**31,466**
8	**Basic and Diluted earnings per share attributable to the equity holders of the Company**		
	Particulars	**For the year ended 31st March 2022**	**For the year ended 31st March 2021**
	Earnings attributable to equity share holders	(28,544)	(31,466)
	Number of Shares	2,500	2,500
	Earnings per Share	(11)	(13)

RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone: 2556 7578 /
2551 4771 / 4140 4830

Independent Auditor's Assurance Report on the Compilation of Proforma Condensed Combined Financial Information for the purpose of inclusion in the Preliminary Placement Document and the Placement Document in connection with proposed Qualified Institutional Placement of Equity Shares of Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited)

The Board of Directors,
Sundaram-Clayton Limited (Formerly Sundaram-Clayton DCD Limited),
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam,
Chennai – 600 006, Tamil Nadu, India.

1. This report is issued in accordance with the terms of our agreement dated September 1, 2024.

We have completed our assurance engagement to report on the compilation of Proforma Condensed Combined Financial Information of Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as "Group") and its share of net loss or profit of associate prepared by the Company's Management. The Proforma Condensed Combined Financial Information consists of the Proforma Condensed Combined Balance Sheet as at 31st March, 2024, 31st March, 2023, 31st March, 2022 and the Condensed Proforma Combined Statement of Profit and Loss (including Other Comprehensive Income), the Proforma Condensed Combined Statement of Changes in Equity and the Proforma Condensed Combined Statement of Cash Flows for the years then ended and selected explanatory notes (Collectively 'Proforma Condensed Combined Financial Information') for the purpose of inclusion in the Preliminary Placement Document and the Placement Document (collectively, the "**Placement Documents**") in connection with proposed Qualified Institutional Placement of Equity Shares ("**Proposed QIP**"). The applicable criteria on the basis of which the Company's Management has compiled the Proforma Condensed Combined Financial Information, as required by the Management, are specified in Clause (11)(I)(B)(iii) of Part A of Schedule VI Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations') issued by Securities and Exchange Board of India (the 'SEBI') and described in the Note 1 to the Proforma Condensed Combined Financial Information.

2. The Proforma Condensed Combined Financial Information has been compiled by the Company's Management to illustrate the impact of the composite scheme of arrangement (the "Scheme") as set out in Note 1 to the Proforma Condensed Combined Financial Information on the Group's financial performance for the year ended March 31, 2024 as if the Scheme had taken place at April 1, 2021.

3. As part of this process, information about the Group's financial performance has been extracted by the Company's Management from:
   a. the Consolidated Financial Statement of the Group for the period ended March 31, 2024 on which we have expressed an unmodified opinion vide our audit report dated May 10, 2024;
   b. the audited standalone financial statement of M/s Sundaram-Clayton DCD Limited for the FY 2022-23 and FY 2021-22 on which we have expressed an unmodified opinion vide our reports dated May 3, 2023 & May 7, 2022 respectively;
   c. the restated consolidated financial information of the Group for the period April 1, 2023 to August 10, 2023 on which we have expressed an unmodified opinion vide our examination report dated September 30, 2024; and

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone: 2556 7578 /
2551 4771 / 4140 4830

d. the restated consolidated financial statement of the Group prepared for the FY 2022-23 and FY 2021-22 for the purpose of inclusion in information memorandum for listing of equity shares of the company, on which we have expressed an unmodified opinion vide our audit report dated September 27, 2023.

This assurance report needs to be read in conjunction with the aforementioned reports.

Management's Responsibility for the Proforma Condensed Combined Financial Information

4. The Company's Management is responsible for compiling the Proforma Condensed Combined Financial Information, as specified in the "Basis of Preparation" paragraph as described in Note 1 to the Proforma Condensed Combined Financial Information, which has been approved by the Management of the Company in their meeting dated September 30, 2024. This responsibility includes the responsibility for designing, implementing and maintaining internal controls relevant for compiling the Proforma Condensed Combined Financial Information on the basis stated in the aforementioned note that is free from material misstatement, whether due to fraud or error. The Company's Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Proforma Condensed Combined Financial Information.

Auditor's Responsibilities

5. Our responsibility is to express an opinion, as required by ICDR Regulations, on the Proforma Condensed Combined Financial Information as requested by the Management, on whether the Proforma Condensed Combined Financial Information has been compiled, in all material respects, by the Management on the basis stated in Note 1 to the Proforma Condensed Combined Financial Information.

6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, 'Assurance Engagements to Report on the Compilation of Proforma Condensed Combined Financial Information for the purpose of Inclusion in Placement Documents, issued by the Institute of Chartered Accountants of India. This Standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company's Management has compiled, in all material respects, the Proforma Condensed Combined Financial Information on the basis stated in Note 1 to the Proforma Condensed Combined Financial Information.

7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Condensed Combined Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Condensed Combined Financial Information.

8. Our work has not been carried out in accordance with the auditing or other standards and practice generally accepted in other jurisdiction and accordingly not be relied up on as if it had been carried out in accordance with those standard and practices.

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone: 2556 7578 /
_2551 4771 / 4140 4830_

9. The purpose of Proforma Condensed Combined Financial Information is solely to illustrate the impact of the Scheme as described in Note 1 to the Proforma Condensed Combined Financial Information on unadjusted financial information of the Group as if the Scheme had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Scheme would have been as presented.

10. A reasonable assurance engagement to report on whether the Proforma Condensed Combined Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Company's Management in the compilation of the Proforma Condensed Combined Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
    - The related Condensed Proforma adjustments give appropriate effect to those criteria; and
    - The Proforma Condensed Combined Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

11. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the Scheme in respect of which the Proforma Condensed Combined Financial Information has been compiled, and other relevant engagement circumstances.

12. The engagement also involves evaluating the overall presentation of the Proforma Condensed Combined Financial Information.

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports or examination reports issued by us or by other chartered accountants on any financial statements of the Company or any of the components included in the Proforma Condensed Combined Financial Information (Refer paragraph 4 above).

14. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

15. We have no responsibility to update our report or reissue our report for events and circumstances occurring after the date of the report.

Opinion

16. In our opinion, the Proforma Condensed Combined Financial Information, as requested by the Management, has been compiled, in all material respects, on the basis of preparation as stated in Note 1 to the Proforma Condensed Combined Financial Information.

Emphasis of Matter

17. We draw attention to the following matters:

Basis of Preparation as set out in Note 1 of the Proforma Condensed Combined Financial Information. The Proforma Condensed Combined Financial Information has been compiled by the Management only to illustrate the impact of the Scheme set out in Note 1 on the Group's financial performance for the year ended March 31, 2024, as if the Scheme had taken place at April 1, 2021 for the purpose of Inclusion in Placement Documents. As a result, the Proforma Condensed Combined Financial Information may not be suitable for any another purpose.

Our opinion is not modified in respect of the above matters.

Other Matter

18. For the purpose of our examination, we have relied on:

a. Unaudited financial statements of subsidiaries as at the years ended March 31, 2024, March 31, 2023 and March 31, 2022 whose financial statements reflect total assets, total revenues and net cash inflows /(outflows) as tabulated below and included in the Proforma Condensed Combined Financial Information of the Group:

(Rs. In Crores)

As at the year ended	Total assets of subsidiaries	Total revenue of subsidiaries	Net cash inflow/ (outflow) of subsidiaries
March 31, 2024	1052.60	167.95	(8.29)
March 31, 2023	991.51	112.86	(17.49)
March 31, 2022	888.65	52.84	21.68

Our opinion on the Proforma Condensed Combined Financial Information is not modified in respect of the above matters based on the audit procedures carried out by us on separate financial statements of the subsidiaries and the financial statements/ financial information certified by the Management.

b. Financial statements of associate which are audited by other auditors as at the years ended March 31, 2024, March 31, 2023 and March 31, 2022, whose financial statements reflect share of profit/loss in associate as tabulated below and included in the Proforma Condensed Combined Financial Information of the Group:

(Rs. In Crores)

As at the year ended	Share of profit / (loss) in associate
March 31, 2024	0.64
March 31, 2023	(0.03)
March 31, 2022	0.12

These financial statements has been audited by other auditor as listed, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the Proforma Condensed Combined Financial Information are based solely on the report of other auditor.

Restriction on Use

19. This report is addressed to and is provided to the Board of Directors of the Company to enable them to use for the purpose of inclusion in Placement Documents. Our report should not be used by any other person or for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom our report is shown or into whose hands it may come without our prior consent in writing.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Registration No.:007761S

V. Sathyanarayanan
Partner
Membership No.: 027716

Date: October 3, 2024
UDIN:2407716BKCNRC7614

Sundaram-Clayton Limited
(Formerly known as Sundaram- Clayton DCD Limited)

The Proforma Condensed Combined Financial Information for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022.

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED BALANCE SHEET

(Rs In Crores)

Particulars	Note No.	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)	Proforma condensed combined financial information as on 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)	Proforma condensed combined financial information as on 31.03.2022 (F = D + E)
ASSETS								
Non-current assets								
Property, plant and equipment	2	1,473.43	1,470.50	-	1,470.50	1,389.59	-	1,389.59
Capital work in progress	2	330.10	77.81	-	77.81	64.40	-	64.40
Other intangible assets	3	0.49	0.73	-	0.73	0.58	-	0.58
Financial assets				-		-	-	
i. Investments	4 (a)	24.59	8.72	-	8.72	9.49	-	9.49
ii. Investments accounted using equity method	4 (b)	1.31	0.95	-	0.95	0.98	-	0.98
iii. Other financial assets	5	9.53	8.92	-	8.92	11.90	-	11.90
Other non-current assets	6	52.05	44.21	-	44.21	33.33	-	33.33
Total non-current assets		**1,891.50**	**1,611.84**	**-**	**1,611.84**	**1,510.27**	**-**	**1,510.27**
Current assets								
Inventories	7	370.67	410.98	-	410.98	394.17	-	394.17
Financial assets			-	-		-	-	
i. Trade receivables	8	292.88	252.29	-	252.29	266.83	-	266.83
ii. Cash and cash equivalents	9	14.42	103.75	-	103.75	123.61	-	123.61
iii. Bank balances other than (ii) above	10	10.42	-	-	-	-	-	-
iv. Other financial assets	5	26.45	10.17	-	10.17	7.51	-	7.51
Other current assets	11	67.62	22.75	-	22.75	22.95	-	22.95
Total current assets		**782.46**	**799.94**	**-**	**799.94**	**815.07**	**-**	**815.07**
Total Assets		**2,673.96**	**2,411.78**	**-**	**2,411.78**	**2,325.34**	**-**	**2,325.34**
EQUITY AND LIABILITIES								
Equity								
Equity share capital	12	10.12	10.12	-	10.12	10.12	-	10.12
Other equity	13	590.04	763.98	(0.01)	763.97	547.26	(0.01)	547.25
Non Controlling Interest		-			-	291.31		291.31
Total equity		**600.16**	**774.10**	**(0.01)**	**774.09**	**848.69**	**(0.01)**	**848.68**
Liabilities								
Non-current liabilities								
Financial liabilities								
i. Borrowings	14	755.47	799.18	-	799.18	595.07	-	595.07
ii. Lease liability		3.78	7.68	-	7.68	20.14	-	20.14
iii. Other financial liabilities	15	-	10.68	-	10.68	10.56	-	10.56
Provisions	16	17.86	11.08	-	11.08	16.05	-	16.05
Deferred tax liabilities (Net)	17	16.94	27.74	-	27.74	33.08	-	33.08
Other non-current liabilities	18	10.84	-	-	-	-	-	-
Total non-current liabilities		**804.89**	**856.36**	**-**	**856.36**	**674.90**	**-**	**674.90**
Current liabilities								
Financial liabilities								
i. Borrowings	19	661.90	282.66	-	282.66	359.28	-	359.28
ii. Lease liability		4.57	17.30	-	17.30	15.42	-	15.42
iii. Trade payables	20	444.41	399.50	0.01	399.51	366.34	0.01	366.35
iv. Other financial liabilities	15	57.51	52.90	-	52.90	31.12	-	31.12
Other current liabilities	18	51.86	19.38	-	19.38	21.21	-	21.21
Current tax liability		2.19	-	-	-	-	-	-
Provisions	16	46.47	9.58	-	9.58	8.38	-	8.38
Total current liabilities		**1,268.91**	**781.32**	**0.01**	**781.33**	**801.75**	**0.01**	**801.76**
Total liabilities		**2,073.80**	**1,637.68**	**0.01**	**1,637.69**	**1,476.65**	**0.01**	**1,476.66**
Total equity and liabilities		**2,673.96**	**2,411.78**	**-**	**2,411.78**	**2,325.34**	**-**	**2,325.34**

The accompanying notes 1 to 31 are an integral part of the financial information

VIVEK S JOSHI
Director & CEO
DIN: 09522758

AJAY KUMAR
Chief Financial Officer

P D DEV KISHAN
Company Secretary

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716

Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED STATEMENT OF PROFIT AND LOSS

(Rs In Crores)

	Particulars	Note No.	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) -For the period from 1st April 2023 to 10th Aug 2023 (A)	Audited Consolidated Financial Statements of Sundaram-Clayton Limited (B)	Proforma condensed combined financial information for the year ended 31.03.2024 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (E)	Proforma condensed combined financial information for the year ended 31.03.2023 (F = D+E)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (G)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (H)	Proforma condensed combined financial information for the year ended 31.03.2022 (I = G+H)
I	**Income**										
	Revenue from operations	21	769.56	1,415.31	2,184.87	2,052.78	-	2,052.78	1,692.42	-	1,692.42
	Other income	22	2.19	33.88	36.07	10.20	-	10.20	3.61	-	3.61
	Total income		**771.75**	**1,449.19**	**2,220.94**	**2,062.98**	**-**	**2,062.98**	**1,696.03**	**-**	**1,696.03**
II	**Expenses**										
	Cost of materials consumed	23	425.65	763.95	1,189.60	1,130.63	-	1,130.63	956.04	-	956.04
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(10.53)	(7.51)	(18.04)	(2.01)	-	(2.01)	(85.33)	-	(85.33)
	Employee benefit expenses	25	115.57	222.86	338.43	277.87	-	277.87	195.84	-	195.84
	Finance costs	26	31.93	57.47	89.40	60.05	-	60.05	46.39	-	46.39
	Depreciation and amortisation expense	27	50.19	103.24	153.43	143.88	-	143.88	130.72	-	130.72
	Other expenses	28	198.91	405.17	604.08	521.89	-	521.89	436.35	0.01	436.36
	Total expenses		**811.72**	**1,545.18**	**2,356.90**	**2,132.31**	**-**	**2,132.31**	**1,680.01**	**0.01**	**1,680.02**
III	**Profit/(Loss) before exceptional items, share of net profit of investment and tax (I-II)**		**(39.97)**	**(95.99)**	**(135.96)**	**(69.33)**	**-**	**(69.33)**	**16.02**	**(0.01)**	**16.01**
	Share of net profit from associates using equity method		0.42	0.22	0.64	(0.03)		(0.03)	0.12	-	0.12
IV	**Profit/(Loss) before exceptional items and tax**		**(39.55)**	**(95.77)**	**(135.32)**	**(69.36)**	**-**	**(69.36)**	**16.14**	**(0.01)**	**16.13**
V	Exceptional items - income / (expense)	28A	(5.07)	(1.60)	(6.67)	(17.10)	-	(17.10)	(13.48)	-	(13.48)
VI	**Profit/(Loss) before tax (IV+V)**		**(44.62)**	**(97.37)**	**(141.99)**	**(86.46)**	**-**	**(86.46)**	**2.66**	**(0.01)**	**2.65**
VII	Income tax expense										
	Current tax	29	9.23	27.04	36.27	27.48	-	27.48	16.54	-	16.54
	Deferred tax charge/(credit)	30	(4.56)	(4.28)	(8.84)	(6.10)	-	(6.10)	2.71	-	2.71
VIII	**Profit/(Loss) for the year (VI-VII)**		**(49.29)**	**(120.13)**	**(169.42)**	**(107.84)**	**-**	**(107.84)**	**(16.59)**	**(0.01)**	**(16.60)**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED STATEMENT OF PROFIT AND LOSS

(Rs In Crores)

	Particulars	Note No.	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) -For the period from 1st April 2023 to 10th Aug 2023 (A)	Audited Consolidated Financial Statements of Sundaram-Clayton Limited (B)	Proforma condensed combined financial information for the year ended 31.03.2024 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (E)	Proforma condensed combined financial information for the year ended 31.03.2023 (F = D+E)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (G)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (H)	Proforma condensed combined financial information for the year ended 31.03.2022 (I = G+H)
IX	**Other comprehensive income**										
	Items that will not be reclassified to profit and loss										
	Remeasurement of post employment benefit obligations		(2.43)	(1.69)	(4.12)	1.53	-	1.53	(8.71)	-	(8.71)
	Change in fair value of equity instruments				-	-	-	-	-	-	-
	Income tax relating to these items		1.00	0.43	1.43	(0.38)	-	(0.38)	2.19	-	2.19
	Items that will be reclassified to profit and loss						-			-	
	Transactions relating to Derivative instruments		0.45	(0.45)	-	1.53	-	1.53	4.78	-	4.78
	Change in fair value of FVOCI debt instruments						-			-	
	Income tax relating to these items		(0.11)	0.11	-	(0.39)	-	(0.39)	(1.48)	-	(1.48)
	FCTR - Subsidiaries				-	47.86	-	47.86	19.12	-	19.12
	Other comprehensive income for the year, net of tax		**(1.09)**	**(1.60)**	**(2.69)**	**50.15**	**-**	**50.15**	**15.90**	**-**	**15.90**
X	**Total comprehensive income (VIII + IX)**		**(50.38)**	**(121.73)**	**(172.11)**	**(57.69)**	**-**	**(57.69)**	**(0.69)**	**(0.01)**	**(0.70)**
XI	Earnings per equity share										
	Basic & Diluted earnings per share	31			(83.74)			(53.31)			(8.21)

VIVEK S JOSHI
Director & CEO
DIN: 09522758

AJAY KUMAR
Chief Financial Officer

P D DEV KISHAN
Company Secretary

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716

Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED STATEMENT OF CASH FLOWS

(Rs In Crores)

Particulars	Proforma condensed combined financial information for the year ended 31.03.2024 *		Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (A)		Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (B)		Proforma condensed combined financial information for the year ended 31.03.2023 (C = A+B)		Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (D)		Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (E)		Proforma condensed combined financial information for the year ended 31.03.2022 (F = D + E)	
A. CASH FLOW FROM OPERATING ACTIVITIES														
Net profit/(loss) before tax		(141.99)		(86.46)		-		(86.46)		2.66		(0.01)		2.65
Add: Depreciation and amortisation for the year	153.43		143.88		-		143.88		130.72		-		130.72	
Loss on sale/scrapping of property, plant and equipment	0.06		-		-		-		3.89		-		3.89	
Profit on sale of property, plant and equipment	(0.27)		(0.26)		-		(0.26)		(0.11)		-		(0.11)	
Unrealised exchange (gain) / loss	(2.11)		(8.89)		-		(8.89)		(2.42)		-		(2.42)	
Dividend income	(0.42)		-		-		-		-		-		-	
Interest income	(1.83)		(0.97)		-		(0.97)		(1.08)		-		(1.08)	
Fair value of financial assets & financial liabilities	-		-		-		-		0.40		-		0.40	
Interest expense	89.40		60.05		-		60.05		46.39		-		46.39	
Profit on sale of investments	-		(0.08)		-		(0.08)				-		-	
Net (profit)/ loss from Associate using equity method	(0.64)										-			
		237.62		193.73		-		193.73		177.79		-		177.79
Operating profit before working capital changes		95.63		107.27		-		107.27		180.45		(0.01)		180.44
Adjustments for:														
Inventories	40.31		(16.81)		-		(16.81)		(88.47)		-		(88.47)	
Trade Receivables	(40.59)		14.54		-		14.54		(44.60)		-		(44.60)	
Other financial assets	(16.89)		0.32		-		0.32		6.44		-		6.44	
Other bank balances	(10.42)		-		-				-		-			
Other non-current assets	(7.84)		(10.88)		-		(10.88)		(12.85)		-		(12.85)	
Other current assets	(44.87)		0.20		-		0.20		1.72		-		1.72	
Trade Payables	46.48		33.16		-		33.16		94.07		0.01		94.08	
Provisions	39.55		(3.77)		-		(3.77)		5.22		-		5.22	
Other financial liabilities (excluding current maturities of debt)	(18.14)		31.43		-		31.43		(15.27)		-		(15.27)	
Other non-current liabilities	10.84		-		-				-		-			
Other current liabilities	32.48		(1.83)		-		(1.83)		(5.20)		-		(5.20)	
		30.91		46.36		-		46.36		(58.94)		0.01		(58.93)
Cash generated from operations		126.54		153.63		-		153.63		121.51		-		121.51
Direct taxes paid		(34.08)		(27.48)		-		(27.48)		(16.54)		-		(16.54)
Net cash from operating activities (A)		92.46		126.15		-		126.15		104.97		-		104.97

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED STATEMENT OF CASH FLOWS

(Rs In Crores)

Particulars	Proforma condensed combined financial information for the year ended 31.03.2024 *	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (B)	Proforma condensed combined financial information for the year ended 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (E)	Proforma condensed combined financial information for the year ended 31.03.2022 (F = D + E)
B CASH FLOW FROM INVESTING ACTIVITIES							
Additions to property, plant and equipment (including Capital work in progress)	(409.26)	(187.50)	-	(187.50)	(100.10)	-	(100.10)
Sale of property, plant and equipment	1.06	0.56	-	0.56	0.49	-	0.49
Purchase of investments	(16.23)	-	-	-	(0.02)	-	(0.02)
Proceeds from Sale of investments	-	0.77	-	0.77	0.00	-	
Net gain on sale of Investments	-	0.08	-	0.08	0.00	-	-
Net Movement in Associate Investment	0.64	(0.85)	-	(0.85)	(0.47)	-	(0.47)
Interest received	1.83	0.97	-	0.97	1.08	-	1.08
Dividend received	0.42	-	-	-	0.00	-	-
Net Cash from/(used in) investing activities **(B)**	(421.54)	(185.97)	-	(185.97)	(99.02)	-	(99.02)
C CASH FLOW FROM FINANCING ACTIVITIES							
Net Borrowings:							
Term loans availed/(repaid)	149.38	121.48	-	121.48	14.59	-	14.59
Short term borrowings availed/ (repaid)	186.15	6.01	-	6.01	42.31	-	42.31
Interest paid	(86.89)	(60.05)	-	(60.05)	(46.39)	-	(46.39)
Net Impact on account of de-merger as per Ind AS 103	8.60	(16.90)	-	(16.90)	93.69	-	93.69
Repayment of lease liabilities	(17.49)	(10.58)	-	(10.58)	(7.64)	-	(7.64)
Net cash inflow/ (outflow) from financing activities **(C)**	239.75	39.96	-	39.96	96.56	-	96.56
D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS **(A+B+C)**	(89.33)	(19.86)	-	(19.86)	102.51	-	102.51
Cash and cash equivalents at the beginning of the year							
Cash and Bank balances	103.75	123.61	-	123.61	21.10		21.10
Cash credit balance	- 103.75	- 123.61	- -	- 123.61	- 21.10	- -	- 21.10
Cash and cash equivalents at the end of the year							
Cash and Bank balances	14.42	103.75	-	103.75	123.61	-	123.61
Cash credit balance	- 14.42	- 103.75	- -	- 103.75	- 123.61	- -	- 123.61

* Represents Cash Flows for the Full FY 2023-24 i.e. - summation of cash flows of Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the period from 1st April 2023 to 10th Aug 2023 (A) & Audited Consolidated Financial Statements of Sundaram-Clayton Limited (B)

VIVEK S JOSHI
Director & CEO
DIN: 09522758

AJAY KUMAR
Chief Financial Officer

P D DEV KISHAN
Company Secretary

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716
Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY **(Rs In Crores)**
A. Equity Share Capital- New Equity Shares of the Resulting Company

Particulars	Amount
As at 01-04-2021	**10.12**
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2021	**10.12**
Changes in equity share capital during the year	-
As at 31-03-2022	**10.12**
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	**10.12**
Changes in equity share capital during the year	-
As at 31-03-2023	**10.12**
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	**10.12**
Changes in equity share capital during the year	-
As at 31-03-2024	**10.12**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
PROFORMA CONDENSED COMBINED STATEMENT OF CHANGES IN EQUITY **(Rs In Crores)**

B. Other Equity

Particulars	Reserves and surplus				Other reserves				
	General reserve	**Retained earnings**	**Capital Reserve**	**Total**	**Fair Value through OCI**	**FCTR**	**Hedging reserve**	**Non Controlling Interest**	**Total**
Balance as at March 31, 2021	**224.90**	**185.00**	**1.83**	**411.73**	**0.82**	**11.00**	**(3.70)**	**325.72**	**333.84**
Add : Profit for the period - Restated FS of SCL	-	25.22		25.22	-		-	(41.81)	(41.81)
Add : Profit for the period - SCL DCD Limited		(0.01)		(0.01)					
Add : Other comprehensive income	-			-	(6.52)	9.49	3.30	9.63	15.90
Add/ (Less): Transaction with Non controlling Interest		(3.68)		(3.68)		5.91		(2.23)	3.68
Adjustment due to composite scheme of arrangement	-		93.69	93.69	-		-		-
Total Comprehensive Income for the year	**-**	**21.53**	**93.69**	**115.22**	**(6.52)**	**15.40**	**3.30**	**(34.41)**	**(22.23)**
Add/ (Less) : Change in fair value of equity instruments	-	-		-	-		-		-
Balance as at March 31, 2022	**224.90**	**206.53**	**95.52**	**526.95**	**(5.70)**	**26.40**	**(0.40)**	**291.31**	**311.61**
Add : Profit for the period - Restated FS of SCL		(107.84)		(107.84)					-
Add : Profit for the period - SCL DCD Limited		-		-					
Add : Other comprehensive income				-	1.15	47.86	1.14	-	50.15
Add/ (less): Transaction with Non Controlling Interest		(52.49)		(52.49)		26.79		(291.31)	(264.52)
Adjustment due to composite scheme of arrangement			300.11	300.11					-
Total Comprehensive Income for the year	**-**	**(160.33)**	**300.11**	**139.79**	**1.15**	**74.65**	**1.14**	**(291.31)**	**(214.37)**
Add / (Less) : Reclassified to retained earnings	-	-		-	-		-		-
Balance as at March 31, 2023	**224.90**	**46.20**	**395.63**	**666.73**	**(4.55)**	**101.05**	**0.74**	**-**	**97.24**
Add : Profit for the period		(169.42)		(169.42)					-
Add : Other comprehensive income		(2.69)		(2.69)	-	-	-		-
Total Comprehensive Income for the year	**-**	**(172.11)**	**-**	**(172.11)**	**-**	**-**	**-**	**-**	**-**
Add / (Less) : Issue of Non-Convertible redeemable Preference shares during the period (NCRPS)	-	(0.86)		(0.86)	-		-		-
Adjustment due to composite scheme of arrangement	-	4.94		4.94	-		-		-
Add/(less) : Movements in reserve	-	-		-		1.68	-		1.68
Adjustment due to IND AS 103 Business Combination	(0.06)	248.72	(250.13)	(1.47)		4.47	(0.16)		4.31
Less: Interim Dividends declared during the period		(10.42)		(10.42)					-
Balance as at March 31, 2024	**224.84**	**116.47**	**145.50**	**486.81**	**(4.55)**	**107.20**	**0.58**	**-**	**103.23**

Nature and purpose of reserves:

Securities premium reserve: This consist of premium realised on issue of shares and will be applicable / utilised in accordance with the provisions of the Companies Act, 2013

General reserve: General reserve is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

VIVEK S JOSHI
Director & CEO
DIN: 09522758

AJAY KUMAR
Chief Financial Officer

P D DEV KISHAN
Company Secretary

V SATHYANARAYANAN
Partner
Membership No.:027716
Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

2- Property, Plant & Equipment **(Rs In Crores)**

Description	As on 31.03.2024								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	8	9
Gross block									
As at 01-04-2023	48.89	10.78	136.87	1,540.23	4.75	13.00	1.74	51.67	1,807.93
Additions/FCTR	0.36	-	3.59	140.92	(0.09)	1.85	2.97	7.03	156.63
Sub-total	**49.25**	**10.78**	**140.46**	**1,681.15**	**4.66**	**14.85**	**4.71**	**58.70**	**1,964.56**
Sales / deletion	-	-	(0.25)	(5.78)	(0.02)	(0.09)	(0.15)	-	(6.29)
Adjustments (refer note below) #	(10.21)	35.16	373.34	308.18	8.19	(7.10)	35.22	0.69	743.47
Total	**39.04**	**45.94**	**513.55**	**1,983.55**	**12.83**	**7.66**	**39.78**	**59.39**	**2,701.74**
Depreciation/FCTR									
Upto 31-03-2023	-	1.50	16.23	292.65	1.84	4.48	0.05	20.68	337.43
For the year	-	0.34	12.38	128.67	0.84	0.40	3.00	7.22	152.85
Sub-total	**-**	**1.84**	**28.61**	**421.32**	**2.68**	**4.88**	**3.05**	**27.90**	**490.28**
Withdrawn on assets sold / deleted	-	-	-	(5.21)	(0.02)	(0.08)	(0.13)	-	(5.44)
Adjustments (refer note below) #	-	0.78	76.02	638.12	6.16	(0.60)	23.09	(0.10)	743.47
Total	**-**	**2.62**	**104.63**	**1,054.23**	**8.82**	**4.20**	**26.01**	**27.80**	**1,228.31**
Net Carrying amount									
As at 31-03-2024	**39.04**	**43.32**	**408.92**	**929.32**	**4.01**	**3.46**	**13.77**	**31.59**	**1,473.43**

Adjustments in the gross block and accumulated depreciation are due to the Reclassification of Property,Plant & Equipment and Actual Original Gross Block of the Property,Plant & Equipment instead of the Deemed Gross block considered earlier.

CAPITAL WORK-IN-PROGRESS (AT COST)	**2023-24**	**2022-23**
(a) Building	218.58	26.85
(b) Plant & equipment	109.61	47.87
(c) Others	1.91	3.09
Total	**330.10**	**77.81**

Ageing of Capital work-in- progress as on 31st March 2024:

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	286.63	43.07	-	0.40	330.10

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET
2- Property, Plant & Equipment (Rs In Crores)

Description	As on 31.03.2023								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	8	9
Gross block									
As at 01-04-2022	48.89	10.78	136.65	1,326.20	4.78	8.50	1.56	51.67	1,589.03
Additions/FCTR	-	-	0.22	219.82	0.03	4.71	0.26	-	225.04
Sub-total	**48.89**	**10.78**	**136.87**	**1,546.02**	**4.81**	**13.21**	**1.82**	**51.67**	**1,814.07**
Sales / deletion			-	(5.79)	(0.06)	(0.21)	(0.08)	-	(6.14)
Total	**48.89**	**10.78**	**136.87**	**1,540.23**	**4.75**	**13.00**	**1.74**	**51.67**	**1,807.93**
Depreciation/FCTR									
Upto 31-03-2022	-	1.00	10.81	168.23	1.38	2.47	0.04	15.51	199.44
For the year		0.50	5.42	129.75	0.51	2.20	0.09	5.17	143.64
Sub-total	**-**	**1.50**	**16.23**	**297.98**	**1.89**	**4.67**	**0.13**	**20.68**	**343.08**
Withdrawn on assets sold / deleted	-	-	-	(5.33)	(0.05)	(0.19)	(0.08)		(5.65)
Total	**-**	**1.50**	**16.23**	**292.65**	**1.84**	**4.48**	**0.05**	**20.68**	**337.43**
Net Carrying amount									
As at 31-03-2023	**48.89**	**9.28**	**120.64**	**1,247.58**	**2.91**	**8.52**	**1.69**	**30.99**	**1,470.50**

CAPITAL WORK-IN-PROGRESS (AT COST)	2022-23	2021-22
(a) Building	26.85	0.14
(b) Plant & equipment	47.87	62.68
(c) Others	3.09	1.58
Total	**77.81**	**64.40**

Ageing of Capital work-in- progress as on 31st March 2023:

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	76.95	-	0.56	0.30	77.81

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET
2- Property, Plant & Equipment **(Rs In Crores)**

Description	As on 31.03.2022								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	8	9
Gross block *									
As at 01-04-2021	48.89	10.78	136.20	555.24	4.68	5.04	1.63	51.67	814.13
Additions/FCTR			0.45	785.41	0.10	3.61	-		789.57
Sub-total	48.89	10.78	136.65	1,340.65	4.78	8.65	1.63	51.67	1,603.70
Sales / deletion			-	(14.45)	-	(0.15)	(0.07)		(14.67)
Total	**48.89**	**10.78**	**136.65**	**1,326.20**	**4.78**	**8.50**	**1.56**	**51.67**	**1,589.03**
Depreciation/FCTR									
Upto 31-03-2021	-	0.50	5.40	60.93	0.71	1.00	-	10.34	78.88
For the year		0.50	5.41	117.15	0.67	1.61	0.11	5.17	130.62
Sub-total	**-**	**1.00**	**10.81**	**178.08**	**1.38**	**2.61**	**0.11**	**15.51**	**209.50**
Withdrawn on assets sold / deleted	-	-	-	(9.85)	-	(0.14)	(0.07)	-	(10.06)
Total	**-**	**1.00**	**10.81**	**168.23**	**1.38**	**2.47**	**0.04**	**15.51**	**199.44**
Net Carrying amount									
As at 31-03-2022	**48.89**	**9.78**	**125.84**	**1,157.97**	**3.40**	**6.03**	**1.52**	**36.16**	**1,389.59**

***** For the purpose of restated financials , the net block as on 31st March 2020 has been considered as the opening gross block of assets on 1st April 2020. For the purpose of this proforma financials the closing gross block as on 31st March 2021 as per restated financials has been carried over as the opening gross block on 1st April 2021.

CAPITAL WORK-IN-PROGRESS (AT COST)	**2021-22**	**2020-21**
(a) Building	0.14	0.10
(b) Plant & equipment	62.68	734.66
(c) Others	1.58	2.08
Total	**64.40**	**736.84**

Ageing of Capital work-in- progress as on 31st March 2022:

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	63.55	0.53	-	0.32	64.40

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET **(Rs in Crores)**
3 - Intangible Assets:

Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Proforma condensed combined financial information as on 31.03.2023	Proforma condensed combined financial information as on 31.03.2022
Software			
Gross block			
As at the beginning of the year	13.35	13.31	12.41
Additions	0.34	0.89	0.90
Sub-total	13.69	14.20	13.31
Sales / deletion	-	(0.85)	-
Total	**13.69**	**13.35**	**13.31**
Depreciation			
As at the beginning of the year	12.62	12.73	12.13
For the year	0.58	0.74	0.60
Sub-total	13.20	13.47	12.73
Withdrawn on assets sold / deleted	-	(0.85)	-
Total	**13.20**	**12.62**	**12.73**
Net Carrying amount			
As at the end of the year	**0.49**	**0.73**	**0.58**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET
4(a) Non Current Investments

Sl. No.	Name of the body corporate	Subsidiary / associate	Valuation Method	No. of shares / units: Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	No. of shares / units: Proforma condensed combined financial information as on 31.03.2023	No. of shares / units: Proforma condensed combined financial information as on 31.03.2022	Face Value	Currency	Partly paid / fully paid	(Rs In Crores): Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	(Rs In Crores): Proforma condensed combined financial information as on 31.03.2023	(Rs In Crores): Proforma condensed combined financial information as on 31.03.2022
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	**Investment in Equity Instruments fair valued through OCI**											
	Unquoted :											
(i)	Green Infra BTV Limited, New Delhi (formerly known as TVS Energy Limited)	Others	Cost - PYGC	45,00,000	45,00,000	45,00,000	10.00	INR	Fully paid	4.50	4.50	4.50
(ii)	Sai Regency Power Corporation Private Limited, Chennai	Others	Cost - PYGC	3,75,000	3,75,000	3,75,000	10.00	INR	Fully paid	0.38	0.38	0.38
(iii)	Clean Max Genesis Pvt Ltd	Others	Cost - PYGC	58,224			10.00	INR	Fully paid	11.22	-	-
(iv)	Nagai Power Private Limited	Others	Cost - PYGC	1,33,010	1,33,010	1,33,010	10.00	INR	Fully paid	0.13	0.13	0.13
	Quoted:											
(i)	Tulsyan NEC Limited, Chennai	Others	Cost - PYGC	1,63,125	1,63,125	1,63,125	10.00	INR	Fully paid	0.50	0.50	0.50
	Total value of Equity Instruments (a)									**16.73**	**5.51**	**5.51**
(b)	**Other non-current Investments**											
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai	Others	FV - AC					INR	Fully paid	1.18	0.66	0.75
(ii)	Life Insurance Corporation Pension Policy, Chennai	Others	FV - AC					INR	Fully paid	7.05	2.55	3.23
	Total value of Other non-current Investments (b)									**8.23**	**3.21**	**3.98**
	Total (a) + (b)									**24.96**	**8.72**	**9.49**
	Aggregate amount of quoted and unquoted investments									24.96	8.72	9.49
	Aggregate amount of impairment in value of investments									(0.37)	-	-
	Total									**24.59**	**8.72**	**9.49**

The values have been arrived using the management's best estimate of the fair value of the fund. These values may not materially differ from the actuals.

Note 4(b) Investments accounted using equity method

Sl. No.	Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Proforma condensed combined financial information as on 31.03.2023	Proforma condensed combined financial information as on 31.03.2022
(1)	Sundram Non Conventional Energy Systems Limited, Chennai (1,17,650 Equity Shares of Face Value Rs 10 each fully paid up)	1.31	0.95	0.98
	Total	**1.31**	**0.95**	**0.98**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

(Rs In Crores)

Note	Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)	Proforma condensed combined financial information as on 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)	Proforma condensed combined financial information as on 31.03.2022 (F = D + E)
5	**Other Financial Assets**							
	Non-current							
	Rental deposits	9.53	8.92	-	8.92	8.36	-	8.36
	Derivatives (Forwards,POS,Call spread,IRS)	-			-	3.54	-	3.54
	Total	**9.53**	**8.92**	**-**	**8.92**	**11.90**	**-**	**11.90**
	Current							
	Unsecured, Considered Good :							
	Employee Advances	3.65	2.20	-	2.20	2.90	-	2.90
	Claims receivable	17.88	1.21	-	1.21	1.18	-	1.18
	Derivatives (Forwards,POS,Call spread,IRS)	0.52	5.98	-	5.98	1.55	-	1.55
	Duty Drawback receivable	4.40	0.78	-	0.78	1.88	-	1.88
	Total	**26.45**	**10.17**	**-**	**10.17**	**7.51**	**-**	**7.51**
6	**Other non-current assets**							
	Capital advances	25.70	16.12	-	16.12	14.75	-	14.75
	Advances - other than capital advances:							
	Statutory and other deposits	23.10	12.76	-	12.76	9.25	-	9.25
	Prepaid expenses	2.92	15.33	-	15.33	9.33	-	9.33
	Accrued lease rental asset	0.33	-	-	-	-	-	-
	Total other non-current assets	**52.05**	**44.21**	**-**	**44.21**	**33.33**	**-**	**33.33**
7	**Inventories (at weighted average cost or net realisable value whichever is less)**							
	Raw materials and components	36.33	56.51	-	56.51	35.71	-	35.71
	Goods-in-transit - Raw materials and components	6.10	-	-	-	0.20	-	0.20
	Work-in-progress	35.89	41.33	-	41.33	36.96	-	36.96
	Finished goods	221.45	197.97	-	197.97	200.33	-	200.33
	Stores and spares	70.90	115.17	-	115.17	120.97	-	120.97
	Total Inventories	**370.67**	**410.98**	**-**	**410.98**	**394.17**	**-**	**394.17**
8	**Trade receivables**							
	Secured, considered good	-			-			-
	Unsecured, considered good	292.88	252.29	-	252.29	266.83	-	266.83
	Doubtful	9.84	8.41	-	8.41	3.60	-	3.60
	Sub total	302.72	260.70	-	260.70	270.43	-	270.43
	Less: Loss Allowance	9.84	8.41	-	8.41	3.60	-	3.60
	Total Trade Receivables	**292.88**	**252.29**	**-**	**252.29**	**266.83**	**-**	**266.83**
9	**Cash and cash equivalents**							
	Balances with banks	14.29	20.65	-	20.65	40.47	-	40.47
	Transferred as a part of Composite scheme of arrangement	-	83.00	-	83.00	83.00	-	83.00
	Balance with term deposits	0.10	0.10	-	0.10	0.10	-	0.10
	Cash on hand	0.03	-	-	-	0.04	-	0.04
	Total Cash and cash equivalents	**14.42**	**103.75**	**-**	**103.75**	**123.61**	**-**	**123.61**
10	**Other Bank Balances**							
	Earmarked balances with banks (including unpaid dividend)	10.42	-	-	-	-	-	-
	Total Other Bank balances	**10.42**	**-**	**-**	**-**	**-**	**-**	**-**
11	**Other current assets**							
	Indirect taxes receivable	25.80	0.78	-	0.78	0.29	-	0.29
	Prepaid expenses	7.29	7.49	-	7.49	5.71	-	5.71
	Vendor advances	26.02	11.37	-	11.37	7.11	-	7.11
	Export incentives receivable	1.13	0.44	-	0.44	9.84	-	9.84
	Employee benefit assets	1.11	2.67	-	2.67	-	-	-
	Statutory deposits	6.27	-	-	-	-	-	-
	Total other current assets	**67.62**	**22.75**	**-**	**22.75**	**22.95**	**-**	**22.95**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

12 - Share Capital **(Rs In Crores)**

(a) **Details of authorised, issued and subscribed share capital**

(i) **Equity Share Capital**

Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
	No: of shares	**Amount**	**No: of shares**	**Amount**	**No: of shares**	**Amount**
Authorised Capital						
Equity Shares of Rs.5/- each	2,50,00,000	12.50	2,50,00,000	12.50	2,50,00,000	12.50
Issued, Subscribed & Paid up Capital						
New Equity Shares of the resulting company of Rs.5/- each	2,02,32,104	10.12	2,02,32,104	10.12	2,02,32,104	10.12
	2,02,32,104	**10.12**	**2,02,32,104**	**10.12**	**2,02,32,104**	**10.12**

(ii) **Preference Share Capital**

Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
	No: of shares	**Amount**	**No: of shares**	**Amount**	**No: of shares**	**Amount**
Authorised Preference share Capital						
Preference Shares of Rs.10/- each	25,00,000	2.50	25,00,000	2.50	25,00,000	2.50
Issued, Subscribed & Paid up Capital						
0.1% Cumulative Non-convertible Redeemable Preference Shares of Resulting Company (NCRPS)	8,73,032	0.87	8,73,032	0.87	8,73,032	0.87
	8,73,032	**0.87**	**8,73,032**	**0.87**	**8,73,032**	**0.87**

Note: The company has issued NCRPS by utilising the reserves as per Composite Scheme of Arrangement , the same has been accounted as financial liability as per "Ind AS -32 Financial Instruments: Presentation" and disclosure under Current borrowings (refer note: 19)

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

12 - Share Capital **(Rs In Crores)**

(b) **Reconciliation of shares outstanding at the beginning and at the end of the year**

(i) **Equity Share Capital**

Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
	No: of shares	Amount	No: of shares	Amount	No: of shares	Amount
Shares outstanding at the beginning of the year	2,02,32,104	10.12	2,02,32,104	10.12	2,02,32,104	10.12
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	**2,02,32,104**	**10.12**	**2,02,32,104**	**10.12**	**2,02,32,104**	**10.12**

(ii) **Preference Share Capital**

Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
	No: of shares	Amount	No: of shares	Amount	No: of shares	Amount
Shares outstanding at the beginning of the year	8,73,032	0.87	8,73,032	0.87	8,73,032	0.87
Shares Issued during the year	-	-	-	-	-	-
Shares outstanding at the end of the year	**8,73,032**	**0.87**	**8,73,032**	**0.87**	**8,73,032**	**0.87**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

12 - Share Capital **(Rs In Crores)**

(c) **i) Rights and preferences attached to equity share:**

Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act 2013.

There are no restrictions attached to equity shares.

ii) Rights attached to NCRPS share:

The NCRPS do not have voting rights other than in respect of matters directly affecting it.

(d) **Details of shares held by holding/ultimate holding/subsidiaries/associates of holding company at the end of the year for Equity Capital and Preference Share Capital**

(i) **Equity Share Capital**

Name of Shareholder	Relationship	Class of Share	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
			No: of shares	% of Holding	No: of shares	% of Holding	No: of shares	% of Holding
Mr Venu Srinivasan, representing VS Trust	Controlling Entity	Equity	1,03,23,122	51.02	1,03,23,122	51.02	1,03,23,122	51.02

(ii) **Preference Share Capital**

Name of Shareholder	Relationship	Class of Share	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
			No: of shares	% of Holding	No: of shares	% of Holding	No: of shares	% of Holding
Mr Venu Srinivasan, representing VS Trust	Controlling Entity	Preference	NIL					

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

12 - Share Capital **(Rs In Crores)**

(e) **Details of shareholders holding more than five percent at the end of the year (other than 12 (d)) above**

Name of Shareholder	Class of Share	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
		No: of shares	% of Holding	No: of shares	% of Holding	No: of shares	% of Holding
SBI Long Term Equity Fund	Equity	19,21,616	9.50	-	-	-	-
Sundaram Finance Holdings Limited- Chennai	Equity	15,14,378	7.49	15,14,378	7.49	15,14,378	7.49
Mr Venu Srinivasan	Equity	-	-	23,82,847	11.78	23,82,847	11.78

Name of Shareholder	Class of Share	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
		No: of shares	% of Holding	No: of shares	% of Holding	No: of shares	% of Holding
Sundaram Finance Holdings Limited- Chennai	Preference	1,75,667	20.12	1,75,667	20.12	1,75,667	20.12
Aditya Birla Sun Life Mutual Fund	Preference	85,923	9.84	88,060	10.09	88,060	10.09
Govindlal M Parikh	Preference	53,114	6.08	53,114	6.08	53,114	6.08

(f) **Details of shares held by promoters**

Name of the Promoters	Class of Share	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
		No: of shares	% of Holding	No: of shares	% of Holding	No: of shares	% of Holding
Mr Venu Srinivasan, representing VS Trust	Equity	1,03,23,122	51.02	1,03,23,122	51.02	1,03,23,122	51.02
Mr Venu Srinivasan	Equity	9,66,600	4.78	23,82,847	11.78	23,82,847	11.78

Name of the Promoters	Class of Share	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Proforma condensed combined financial information as on 31.03.2023		Proforma condensed combined financial information as on 31.03.2022	
		No: of shares	% of Holding	No: of shares	% of Holding	No: of shares	% of Holding
Mr Venu Srinivasan, representing VS Trust Mr Venu Srinivasan	Preference	NIL					

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

(Rs In Crores)

13 - Other equity

Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)	Proforma condensed combined financial information as on 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)	Proforma condensed combined financial information as on 31.03.2022 (F = D + E)
General reserve	224.84	224.90	-	224.90	224.90	-	224.90
Retained earnings	116.47	46.21	(0.01)	46.20	206.54	(0.01)	206.53
Capital Reserve	145.50	395.63	-	395.63	95.52	-	95.52
Other reserves	103.23	97.24	-	97.24	20.30	-	20.30
Total reserves and surplus	**590.04**	**763.98**	**(0.01)**	**763.97**	**547.26**	**(0.01)**	**547.25**
Non-controlling interest	**-**			**-**	**291.31**	**-**	**291.31**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET **(Rs In Crores)**

14 - Long Term Borrowings

Description	Security	No. of instal-ments due	Frequency	Maturity	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)	Proforma condensed combined financial information as on 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)	Proforma condensed combined financial information as on 31.03.2022 (F = D + E)
Secured:											
Rupee Term loan I	First and exclusive charge on specific plant and equipments of the Company.	NA	Quarterly	Dec-22			-	-	24.92	-	24.92
Foreign Currency Non-resident Borrowings (FCNR(B)) I		NA	Half yearly	Sep-22			-	-	15.16	-	15.16
External Commercial Borrowing II (ECB II)		4	Quarterly	Feb-24	-	40.72	-	40.72	75.43	-	75.43
State owned corporation		1	Bullet payment	Apr-31	8.78	8.12	-	8.12	7.51	-	7.51
Rupee Term loan II	First pari passu charge - 50% security on plant and machinery	15	Quarterly	Dec-27	130.00	75.00	-	75.00		-	-
Foreign Currency Non-resident Borrowings (FCNR(B)) III	Hypothecation of all current assets	19	Quarterly	Dec-28	95.49	114.50	-	114.50	134.25	-	134.25
USD Term Loan - HSBC Singapore	Pari passu charge on fixed assets	9	Half yearly	Dec-24	88.32	173.97	-	173.97	220.84	-	220.84
USD Term Loan - Axis bank	Pari passu charge on fixed assets	1	Bullet payment	Jun-24	244.85	196.29	-	196.29		-	-
							-			-	
Unsecured :							-			-	
Non Convertible Debentures		2	Yearly	Aug-25	99.99	99.85	-	99.85	99.70	-	99.70
Rupee Term loan III		18	Quarterly	Sep-27	162.04	175.98	-	175.98	185.14	-	185.14
Rupee Term loan IV		8	Quarterly	Mar-27	137.62		-	-		-	-
							-			-	
USD Term Loan - HSBC Gift city		1	Bullet payment	Apr-24	66.72		-	-		-	-
Total Borrowings :					**1,033.81**	**884.43**	**-**	**884.43**	**762.95**	**-**	**762.95**
Less : Current Maturities of long-term borrowings (Refer Note No. 19)					278.34	85.25		85.25	167.88		167.88
Total Long-term Borrowings					**755.47**	**799.18**	**-**	**799.18**	**595.07**	**-**	**595.07**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET **(Rs In Crores)**

Amount payable in each instalment other than bullet repayments:

Description	Currency	Type of Repayments	Interest
Rupee Term loan I	INR	8.34 Crores	MCLR plus Margin
Rupee Term loan II	INR	Structured instalments	3M Tbill + Margin
Rupee Term loan III	INR	Structured instalments	MCLR plus Margin
Foreign Currency Non-resident Borrowings (FCNR(B)) I	USD	2 Million	Overnight LIBOR plus Margin
Foreign Currency Non-resident Borrowings (FCNR(B)) III	USD	Structured instalments	6 Months SOFR plus margin
External Commercial Borrowing II (ECB II)	USD	1.25 Million	3 Month LIBOR plus Margin
Non Convertible Debentures	INR	50 Crores - from Aug-24	7.65%
Rupee Term Loan IV	INR	Structured instalments	8.00%
USD Term Loan - HSBC Singapore	USD	Structured instalments	6 Months SOFR plus margin
USD Term Loan - HSBC Gift city	USD	USD 8 Million in Apr 24	1 Month SOFR plus margin
USD Term Loan - Axis bank	USD	USD 30 Million in Jun 24	3 Months SOFR plus margin

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET (Rs In Crores)

Note	Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)	Proforma condensed combined financial information as on 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)	Proforma condensed combined financial information as on 31.03.2022 (F = D + E)
15	**Other financial liabilities**							
	Non current							
	Derivatives	-		-	-	0.71	-	0.71
	Others (Subsidiaries)		10.68		10.68	9.85		9.85
		-	**10.68**	**-**	**10.68**	**10.56**	**-**	**10.56**
	Current							
	Interest accrued but not due on loans	9.21	7.56	-	7.56	9.57	-	9.57
	Unpaid Dividends	10.42	-	-	-	-	-	-
	Employee related liabilities	37.36	44.28	-	44.28	21.31	-	21.31
	Liabilities for expenses	-	0.69	-	0.69	0.06	-	0.06
	Derivatives	0.52	0.37	-	0.37	0.18	-	0.18
	Total other current financial liabilities	**57.51**	**52.90**	**-**	**52.90**	**31.12**	**-**	**31.12**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET

(Rs in Crores)

Note	Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024		Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)		Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)		Proforma condensed combined financial information as on 31.03.2023 (C = A+B)		Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)		Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)		Proforma condensed combined financial information as on 31.03.2022 (F = D + E)	
		Current	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**	**Current**	**Non-current**
16	**Provisions**														
	Employee benefits														
	(a) Pension	3.45	5.94	2.91	4.66	-	-	2.91	4.66	4.12	4.32	-	-	4.12	4.32
	(b) Leave salary	0.79	7.92	0.59	6.42	-	-	0.59	6.42	1.05	7.02	-	-	1.05	7.02
	(c) Gratuity	-	-	-	-	-	-	-	-	-	4.71	-	-	-	4.71
		4.24	**13.86**	**3.50**	**11.08**	**-**	**-**	**3.50**	**11.08**	**5.17**	**16.05**	**-**	**-**	**5.17**	**16.05**
	Others								-						
	(a) Warranty	3.93	-	3.84	-	-	-	3.84	-	3.21	-	-	-	3.21	-
	(b) Disputed tax provided for	10.48	-	2.24	-	-	-	2.24	-	-	-	-	-	-	-
	(c) Customer provisions	27.82	-	-	-	-	-	-	-	-	-	-	-	-	-
	(d) Other provisions	-	4.00	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**46.47**	**17.86**	**9.58**	**11.08**	**-**	**-**	**9.58**	**11.08**	**8.38**	**16.05**	**-**	**-**	**8.38**	**16.05**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED BALANCE SHEET **(Rs In Crores)**

Note	Particulars	Audited Consolidated Financial Statements of Sundaram-Clayton Limited as on 31.03.2024	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2023 (A)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2023 (B)	Proforma condensed combined financial information as on 31.03.2023 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) as on 31.03.2022 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) as on 31.03.2022 (E)	Proforma condensed combined financial information as on 31.03.2022 (F = D + E)
17	**Deferred tax liabilities / (assets)**							
	The balance comprises temporary differences attributable to:							
	Depreciation	29.68	33.93	-	33.93	40.24	-	40.24
	Employee benefits	(4.44)	(2.80)	-	(2.80)	(5.36)	-	(5.36)
	Financial assets & Financial liabilities	(3.77)	(5.04)	-	(5.04)	(3.45)	-	(3.45)
	Others (Including Carried forward loss)	(4.53)	1.65	-	1.65	1.65	-	1.65
	Total deferred tax liabilities / (assets)	**16.94**	**27.74**	**-**	**27.74**	**33.08**	**-**	**33.08**
18	**Other liabilities**							
	Non-current							
	Government Grant - Deferred income	10.84	-	-	-	-	-	-
	Total other non-current liabilities	**10.84**	**-**	**-**	**-**	**-**	**-**	**-**
	Current							
	Statutory dues	6.08	0.06	-	0.06	1.48	-	1.48
	Advance received from customers	30.82	17.80	-	17.80	18.56	-	18.56
	Government Grant - Deferred income	1.52	1.52	-	1.52	1.17	-	1.17
	Other Payables	13.44	-	-	-	-	-	-
	Total other current liabilities	**51.86**	**19.38**	**-**	**19.38**	**21.21**	**-**	**21.21**
19	**Financial Liabilities - Borrowings (Current)**							
	0.1% Non Convertible Redeeemable Preference Shares (Refer Note 12)	0.87	0.87	-	0.87	0.87	-	0.87
	Repayable on demand from banks							
	Secured	225.21	140.52	-	140.52	66.97	-	66.97
	Unsecured	157.48	56.02	-	56.02	123.56	-	123.56
	Current maturities of Long term borrowings	278.34	85.25	-	85.25	167.88	-	167.88
	Total Borrowings under Current Liabilities	**661.90**	**282.66**	**-**	**282.66**	**359.28**	**-**	**359.28**
	Details of securities created for secured loans repayable on demand:							
	First charge by way of hypothecation and / or pledge of all current assets viz., inventories of raw materials, semi finished and finished goods, stores and spares, bills receivable, book debts and all other current assets							
20	**Trade payables**							
	Current							
	Dues to Micro and Small Enterprises	22.53	25.02	-	25.02	10.08	-	10.08
	Dues to enterprises other than Micro and Small Enterprises	421.88	374.48	0.01	374.49	356.26	0.01	356.27
	Total Trade payables	**444.41**	**399.50**	**0.01**	**399.51**	**366.34**	**0.01**	**366.35**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED STATEMENT OF PROFIT AND LOSS **(Rs In Crores)**

Note	Particulars	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) - For the period from 1st April 2023 to 10th Aug 2023 (A)	Audited Consolidated Financial Statements of Sundaram-Clayton Limited (B)	Proforma condensed combined financial information for the year ended 31.03.2024 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (E)	Proforma condensed combined financial information for the year ended 31.03.2023 (F = D+E)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (G)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (H)	Proforma condensed combined financial information for the year ended 31.03.2022 (I = G+H)
21	**Revenue from operations**									
	Sale of products	760.96	1,401.33	2,162.29	2,025.82	-	2,025.82	1,657.17	-	1,657.17
	Sale of services			-	0.13	-	0.13	0.13	-	0.13
	Other operating revenue	8.60	13.98	22.58	26.83	-	26.83	35.12	-	35.12
	Total revenue	**769.56**	**1,415.31**	**2,184.87**	**2,052.78**	**-**	**2,052.78**	**1,692.42**	**-**	**1,692.42**
22	**Other income**									
	Dividend income									
	(i) From subsidiary			-	-	-	-		-	-
	(ii) From others		0.42	0.42	-	-	-		-	-
	Interest income	0.80	1.03	1.83	0.97	-	0.97	1.08	-	1.08
	Gain on foreign currency transactions and translation	-	5.57	5.57	8.89	-	8.89	2.42	-	2.42
	Net gain on sale of Investments	-	-	-	0.08	-	0.08		-	-
	Profit on sale of Property, Plant & Equipment	0.07	0.20	0.27	0.26	-	0.26	0.11	-	0.11
	Lease Income	1.32	2.68	4.00	-	-	-		-	-
	Miscellanous Income		23.98	23.98	-	-	-		-	-
	Total other income	**2.19**	**33.88**	**36.07**	**10.20**	**-**	**10.20**	**3.61**	**-**	**3.61**
23	**Cost of Materials consumed:**									
	Opening stock of raw materials and components	56.51	40.06	56.51	35.71	-	35.71	29.29		29.29
	Add: Purchases	409.20	760.22	1,169.42	1,151.43	-	1,151.43	962.46		962.46
		465.71	800.28	1,225.93	1,187.14	-	1,187.14	991.75	-	991.75
	Less:Closing stock of raw materials and components	40.06	36.33	36.33	56.51	-	56.51	35.71		35.71
	Consumption of raw materials and components	**425.65**	**763.95**	**1,189.60**	**1,130.63**	**-**	**1,130.63**	**956.04**	**-**	**956.04**
24	**Changes in inventories of finished goods, work-in-progress and Stock-in-Trade:**									
	Opening stock:									
	Work-in-progress	41.33	49.52	41.33	36.96	-	36.96	22.44	-	22.44
	Finished goods	197.97	200.31	197.97	200.33	-	200.33	129.52	-	129.52
	Total - (A)	**239.30**	**249.83**	**239.30**	**237.29**	**-**	**237.29**	**151.96**	**-**	**151.96**
	Closing stock:									
	Work-in-progress	49.52	35.89	35.89	41.33	-	41.33	36.96	-	36.96
	Finished goods	200.31	221.45	221.45	197.97	-	197.97	200.33	-	200.33
	Total - (B)	**249.83**	**257.34**	**257.34**	**239.30**	**-**	**239.30**	**237.29**	**-**	**237.29**
	Total (A)-(B)	**(10.53)**	**(7.51)**	**(18.04)**	**(2.01)**	**-**	**(2.01)**	**(85.33)**	**-**	**(85.33)**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO PROFORMA CONDENSED COMBINED STATEMENT OF PROFIT AND LOSS (Rs In Crores)

Note	Particulars	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) - For the period from 1st April 2023 to 10th Aug 2023 (A)	Audited Consolidated Financial Statements of Sundaram-Clayton Limited (B)	Proforma condensed combined financial information for the year ended 31.03.2024 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (E)	Proforma condensed combined financial information for the year ended 31.03.2023 (F = D+E)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (G)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (H)	Proforma condensed combined financial information for the year ended 31.03.2022 (I = G+H)
25	**Employee benefit expense**									
	Salaries, wages and bonus	95.44	189.60	285.04	242.65	-	242.65	164.38	-	164.38
	Contribution to provident and other funds	6.97	8.99	15.96	4.79	-	4.79	(1.98)	-	(1.98)
	Welfare expenses	13.16	24.27	37.43	30.43	-	30.43	33.44	-	33.44
	Total employee benefit expense	**115.57**	**222.86**	**338.43**	**277.87**	**-**	**277.87**	**195.84**	**-**	**195.84**
26	**Finance Costs**									
	Interest	31.39	56.91	88.30	57.83	-	57.83	42.90	-	42.90
	Interest on lease liabilities	0.45	0.41	0.86	1.94	-	1.94	2.94	-	2.94
	Other borrowing costs	0.09	0.15	0.24	0.28	-	0.28	0.55	-	0.55
	Total finance costs	**31.93**	**57.47**	**89.40**	**60.05**	**-**	**60.05**	**46.39**	**-**	**46.39**
27	**Depreciation and amortisation expense**									
	Depreciation on Property, Plant and Equipment	46.94	98.35	145.29	137.25	-	137.25	124.06	-	124.06
	Depreciation on Right-to-use asset	3.06	4.16	7.22	5.39	-	5.39	5.56	-	5.56
	Amortisation on Intangible assets	0.17	0.41	0.58	0.74	-	0.74	0.60	-	0.60
	Amortisation on leasehold land	0.02	0.32	0.34	0.50	-	0.50	0.50	-	0.50
	Total depreciation and amortisation expense	**50.19**	**103.24**	**153.43**	**143.88**	**-**	**143.88**	**130.72**	**-**	**130.72**
28	**Other expenses ***									
	(a) Consumption of stores, spares and tools	32.32	53.64	85.96	73.64	-	73.64	74.67	-	74.67
	(b) Power and fuel	56.87	96.42	153.29	128.22	-	128.22	112.07	-	112.07
	(c) Repairs - buildings	8.13	16.85	24.98	16.12	-	16.12	14.60	-	14.60
	(d) Repairs - plant and equipment	22.94	55.08	78.02	44.24	-	44.24	42.17	-	42.17
	(e) Repairs - others	0.32	0.46	0.78	0.60	-	0.60	0.35	-	0.35
	(f) Insurance	3.79	9.05	12.84	7.75	-	7.75	7.51	-	7.51
	(g) Rates and taxes (excluding taxes on income)	4.03	11.67	15.70	1.78	-	1.78	5.83	-	5.83
	(h) Audit fees	0.23	1.07	1.30	0.68	-	0.68	0.71	-	0.71
	(i) Packing and freight charges	30.59	77.30	107.89	98.44	-	98.44	110.39	-	110.39
	(j) Loss on sale of Property, plant & equipment	0.05	0.01	0.06	-	-	-	3.89	-	3.89
	(k) Decrease in Fair value of Financial Assets			-	-	-	-	0.40	-	0.40
	(l) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakh, whichever is higher)	39.64	83.62	123.26	150.42	-	150.42	63.76	0.01	63.77
	Total other expenses	**198.91**	**405.17**	**604.08**	**521.89**	**-**	**521.89**	**436.35**	**0.01**	**436.36**
	*** Net of recoveries and claims made**									
28A	**Exceptional items**									
	One time voluntary separation costs	(5.07)	(1.60)	(6.67)	(17.10)	-	(17.10)	(13.48)	-	(13.48)
	Total exceptional items	**(5.07)**	**(1.60)**	**(6.67)**	**(17.10)**	**-**	**(17.10)**	**(13.48)**	**-**	**(13.48)**
29	**Current Tax**									
	Current tax on profits for the year	9.23	27.04	36.27	27.48	-	27.48	16.54	-	16.54
	Total current tax	**9.23**	**27.04**	**36.27**	**27.48**	**-**	**27.48**	**16.54**	**-**	**16.54**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO PROFORMA CONDENSED COMBINED STATEMENT OF PROFIT AND LOSS **(Rs In Crores)**

Note	Particulars	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) - For the period from 1st April 2023 to 10th Aug 2023 (A)	Audited Consolidated Financial Statements of Sundaram-Clayton Limited (B)	Proforma condensed combined financial information for the year ended 31.03.2024 (C = A+B)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2023 (D)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2023 (E)	Proforma condensed combined financial information for the year ended 31.03.2023 (F = D+E)	Restated FS of Sundaram-Clayton Limited (Die-Casting Division) for the year ended 31.03.2022 (G)	Audited Standalone Financial Statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) for the year ended 31.03.2022 (H)	Proforma condensed combined financial information for the year ended 31.03.2022 (I = G+H)
30	**Deferred tax**									
	Decrease (increase) in deferred tax assets	(0.85)	(0.66)	(1.51)	(6.29)	-	(6.29)	5.97	-	5.97
	(Decrease) increase in deferred tax liabilities	(3.71)	(3.62)	(7.33)	0.19	-	0.19	(3.26)	-	(3.26)
	Total deferred tax expense / (benefit)	**(4.56)**	**(4.28)**	**(8.84)**	**(6.10)**	**-**	**(6.10)**	**2.71**	**-**	**2.71**
31	**Earnings per share**									
	(a) Basic and diluted earnings per share									
	Basic and diluted earnings per share attributable to the equity holders of the Company (Rs.)			(83.74)			(53.31)			(8.21)
	(b) Earnings used in calculating earnings per share									
	Basic and diluted earnings per share									
	Profit attributable to equity holders of the company used in calculating basic earnings per share			(169.42)			(107.84)			(16.60)
	(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share			2,02,32,104			2,02,32,104			2,02,32,104

VIVEK S JOSHI
Director & CEO
DIN: 09522758

AJAY KUMAR
Chief Financial Officer

P D DEV KISHAN
Company Secretary

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716
Date : 3rd October 2024

Date : 3rd October 2024

Notes to Proforma Condensed Combined Financial Information

1.

A. Brief description of the Company

Sundaram-Clayton Limited (‘the Company’) is a public limited company incorporated in India whose shares are publicly traded. The registered office is located at “Chaitanya”, 12, Khader Nawaz Khan Road, Nungambakkam Chennai – 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in the activities of manufacturing automotive components.

During the year 2023-2024, the entire die cast manufacturing business of TVS Holdings Limited (formerly known as Sundaram-Clayton Limited) was demerged, transferred and vested into Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) effective 11th August 2023 on going concern basis in accordance with the Composite Scheme of Arrangement (“Scheme”) sanctioned by the Hon’ble National Company Law Tribunal, Chennai Bench (“NCLT”) vide its Order dated 6th March 2023.

B. Purpose and basis of preparation

The Proforma Condensed Combined Financial Information have been prepared by the management of the Company for the purpose of inclusion in the Preliminary Placement Document and the Placement Document in connection with proposed Qualified Institutional Placement of equity shares of the Company.

The purpose of preparing the Proforma Condensed Combined Financial Information is to indicate the results of operations that would have resulted had the scheme been effective from the beginning of the period presented i.e., 1st April, 2021, but is not intended to be indicative of expected results or operations in the future periods or the future financial position of the Company. The Company believes that such information is important for the investors for evaluating the financial performance of the company as a whole.

The Proforma Condensed Combined Financial Information have been approved by the Management on October 3, 2024.

The Proforma Condensed Combined Financial Information comprises the proforma condensed combined balance sheet as at March 31, 2024, March 31, 2023 and March 31, 2022 and proforma condensed combined statement of profit and loss, proforma condensed combined cash flow statement and proforma condensed combined statement of changes in equity for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 and selected explanatory notes (collectively hereinafter referred as “Proforma Condensed Combined Financial Information”).

C. Statement of compliance, basis of measurement and estimates

a. Basis of measurement

The Proforma Condensed Combined Financial Information have been prepared on a historical cost convention, using the accrual basis of accounting, except for the following material items that have been measured at fair value, as required by the relevant Ind AS:-

i) Certain financial assets and liabilities are measured at fair value
ii) Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.

b. Use of estimates

In preparation of these Proforma Condensed Combined Financial Information, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized prospectively.

RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone: 2556 7578 /
2551 4771 / 4140 4830

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF SUNDARAM-CLAYTON LIMITED (formerly Sundaram-Clayton DCD Limited)

Report on the Interim Condensed Consolidated Financial Statements

Opinion

We have reviewed the accompanying interim condensed consolidated financial statements of **Sundaram-Clayton Limited** (formerly Sundaram-Clayton DCD Limited) (the "Company") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") and its share of net profit of associate prepared by the Company's Management, which comprise the Condensed Consolidated Balance Sheet as at **June 30, 2024**, the Condensed Consolidated Statement of Profit and Loss (including other comprehensive income), the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows for the quarter ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Interim Condensed Consolidated Financial Statements").

Responsibilities of Management and Those Charged with Governance for the Interim Condensed Consolidated Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive loss, consolidated changes in equity and consolidated cash flows of the Group in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013, as amended ("Act") other accounting principles generally accepted in India. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Interim Condensed Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the Interim Condensed Consolidated Financial Statements by the Directors of the Company, as aforesaid.

In preparing the Interim Condensed Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the each of the companies in the Group and its associate, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

#48, "ISHITA", 2nd and 3rd Floor, 2nd Main Road, Vyalikaval, Bangalore - 560 003.
Tel/Fax: 23361121 I 23361030 I 23361120

Auditors' Responsibilities

Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on our review. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 'Review of Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India.

A review consists of making inquiries primarily of Company personnel responsible for financial and accounting matters, and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing, the objective of which is the expression of an opinion on the truth and fairness of the financial statements taken as a whole, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above and to the best of our information and according to the explanations given to us, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements of the Company has not been prepared, in all material respects in accordance with the recognition and measurement principles of Ind AS 34, "Interim Financial Reporting" prescribed under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) notified under Section 133 of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI') and other accounting principles generally accepted in India, or that it contains any material misstatement. Further, the aforesaid Interim Condensed Consolidated Financial Statements give a true and fair view in conformity with Ind AS 34 prescribed under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India of the consolidated state of affairs of the group as at **June 30, 2024** and its consolidated loss and consolidated total comprehensive loss for the three months ended on that date, its consolidated changes in equity and its consolidated cash flows for the three months ended on that date.

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone: 2556 7578 /
2551 4771 / 4140 4830

Other Matters

1. The accompanying interim condensed consolidated financial statements include 7 subsidiaries located outside India whose financial information and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian accounting standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's Management. These financial statements have not been reviewed by their respective auditors, which reflects total assets (before consolidation adjustments) of Rs.1092.30 crores as at 30th June, 2024, total revenue (before consolidation adjustments) of Rs.62.01 crores, total net loss after tax (before consolidation adjustments) of Rs.72.53 crores for the quarter ended 30th June, 2024, total net cash inflows (before consolidation adjustments) of Rs. 10.63 crores for the quarter ended on that date, as considered in the interim condensed consolidated financial statements. These financial statements and other financial information have been furnished to us by the management.

   Our opinion on the interim condensed consolidated financial statements is not modified in respect of the above matters based on the procedures carried out by us on separate financial statements of the subsidiaries and the financial statements/ financial information certified by the Management.

2. The interim condensed consolidated financial statements also include the Group's share of net profit of Rs.0.09 crore for the quarter ended 30th June, 2024, as considered in the interim condensed consolidated financial statements, in respect of 1 associate, whose financial statements, other financial information have not been reviewed and whose financial statements, other financial information have been furnished to us by the Management.

   In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Registration No: 007761S

V. Sathyanarayanan
Partner
Membership No: 027716

Date : October 03, 2024
UDIN:24027716BKCNRD9465

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In crores)

Particulars	Note No.	AS AT JUN 30, 2024
ASSETS		
(1) Non-current Assets		
(a) Property, plant and equipment	2	1,451.43
(b) Capital work in progress	2	454.09
(c) Other intangible assets	3	0.51
(d) Financial assets		
i. Investments	4A	24.65
ii. Other financial assets	5	10.05
(e) Investments accounted using Equity method	4B	1.40
(f) Other non-current assets	6	70.41
Total Non-Current Assets		**2,012.54**
(2) Current Assets		
(a) Inventories	7	396.51
(b) Financial assets		
i. Trade receivables	8	300.51
ii. Cash and cash equivalents	9	23.37
iii. Bank balances other than (ii) above	10	0.04
iv. Other financial assets	5	30.16
(c) Other current assets	11	91.51
Total Current Assets		**842.10**
Total Assets		**2,854.64**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In crores)

Particulars	Note No.	AS AT JUN 30, 2024
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	12	10.12
(b) Other Equity	13	532.67
Equity attributable to owners		**542.79**
Total Equity		**542.79**
Liabilities		
(1) Non-Current Liabilities		
(a) Financial liabilities		
i. Borrowings	14	949.96
ii. Lease liability		4.83
(b) Provisions	15	18.34
(c) Deferred tax liabilities (Net)	16	17.57
(d) Other non-current liabilities	17	8.61
Total Non-Current Liabilities		**999.31**
(2) Current Liabilities		
(a) Financial liabilities		
i. Borrowings	18	653.94
ii. Lease liability		2.99
iii. Trade Payables	19	
(A) total outstanding dues of micro enterprises and small enterprises		22.79
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		466.51
iv. Other financial liabilities	20	54.80
(b) Other current liabilities	17	52.62
(c) Provisions	15	55.14
(d) Current Tax Liabilities (Net)		3.75
Total Current Liabilities		**1,312.54**
Total Liabilities		**2,311.85**
Total Equity and Liabilities		**2,854.64**
Material Accounting Policies	1	

The accompanying notes are an integral part of these financial statements

VIVEK S JOSHI	P D DEV KISHAN	AJAY KUMAR
Director & CEO	Company Secretary	Chief Financial Officer
DIN: 09522758		

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716

Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

	Particulars	Note No.	QUARTER ENDED JUN 30, 2024
I	Revenue from operations	21	580.43
II	Other Income	22	4.52
III	**Total Income (I + II)**		**584.95**
IV	**EXPENSES**		
	Cost of materials consumed	23	326.12
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(14.57)
	Employee benefit expenses	25	99.89
	Finance costs	26	26.19
	Depreciation and amortisation expense	27	38.11
	Other expenses	28	159.23
	Total Expenses (IV)		**634.97**
V	**Profit/(Loss) before exceptional items, share of net profit of investment and tax (III-IV)**		**(50.02)**
VI	**Share of net profit from associates using equity method**		0.09
VII	**Profit/(Loss) before exceptional items and tax (V+VI)**		**(49.93)**
VIII	Exceptional items - income / (expense)		-
IX	**Profit/(Loss) before tax (VII+VIII)**		**(49.93)**
X	Income tax expense		
	i) Current tax	29	4.87
	ii) Deferred tax charge/(credit)	30	1.05
XI	**Profit/(Loss) for the Quarter (IX-X)**		**(55.85)**
	Profit / (Loss) attributable to Non-controlling Interest		**-**
	Profit / (Loss) attributable to Owners		**(55.85)**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

	Particulars	Note No.	QUARTER ENDED JUN 30, 2024
XII	**Other comprehensive income**		
	A. Items that will not be reclassified to profit and loss:		
	Remeasurement of post employment benefit obligations		(1.67)
	Change in fair value of equity instruments		-
	Income tax relating to these items		0.42
	B. Items that will be reclassified to profit and loss		
	Transactions relating to Derivative instruments		-
	Income tax relating to these items		-
	FCTR - Subsidiaries		(0.27)
	Other comprehensive income for the Quarter, net of tax		**(1.52)**
	Other Comprehensive income attributable to non-controlling interest		**-**
	Other Comprehensive income attributable to Owners		**(1.52)**
XIII	**Total comprehensive income attributable to Owners (XI+XII)**		**(57.37)**
XIV	**Earnings per equity share (not annualised)**		
	Basic & Diluted earnings per share	31	(27.60)

The accompanying notes are an integral part of these financial statements

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716

Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

Particulars	**QUARTER ENDED JUN 30, 2024**	
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax		(49.93)
Add: Depreciation and amortisation for the Quarter	38.11	
Loss on sale/scrapping of property, plant and equipment	0.27	
Profit on sale of property, plant and equipment	(0.01)	
Unrealised exchange (gain) / loss	0.86	
Dividend income	-	
Interest income	(0.42)	
Interest expense	26.19	
Net (profit)/ loss from Associate using equity method	(0.09)	
Other adjustments	(0.27)	
		64.64
Operating profit before working capital changes		**14.71**
Adjustments for:		
Inventories	(25.84)	
Trade Receivables	(8.40)	
Other financial assets	(4.23)	
Other bank balances	10.38	
Other non-current assets	(18.36)	
Other current assets	(23.89)	
Trade Payables	44.71	
Provisions	7.48	
Other financial liabilities (excluding current maturities of debt)	1.08	
Other non-current liabilities	(2.23)	
Other current liabilities	0.76	
		(18.54)
Cash generated from operations		(3.83)
Direct taxes paid		(3.31)
Net cash from operating activities (A)		**(7.14)**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Additions to property, plant and equipment (including Capital work in progress)		(146.17)
	Sale of property, plant and equipment		5.79
	Purchase of investments		(0.06)
	Net profit/(loss) from Associate using equity method		0.09
	Interest received		0.42
	Dividend received		-
	Net Cash from/(used in) investing activities (B)		**(139.93)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net Borrowings:		
	Term loans availed/(repaid)		194.49
	Short term borrowings availed/ (repaid)		(7.96)
	Interest paid		(19.52)
	Interim Dividend paid		(10.38)
	Repayment of lease liabilities		(0.61)
	Net cash inflow/ (outflow) from financing activities (C)		**156.02**
D	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		8.95
	Cash and cash equivalents at the beginning of the Quarter		
	Cash and Bank balances	14.42	
	Cash credit balance	-	14.42
	Cash and cash equivalents at the end of the Quarter		
	Cash and Bank balances	23.37	
	Cash credit balance	-	23.37

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER ENDED JUN 30, 2024

(Rupees in Crores)

Change in liability arising from financing activities

Particulars	Notes	Balance as at the beginning of the Quarter	Cash flow	Non-cash changes		JUN 30, 2024
				Fair value change	Foreign exchange movement	
Long term borrowings	14	755.47	194.49	-	-	**949.96**
Short term borrowings	18	661.90	(7.96)	-	-	**653.94**

Notes:

The above statement has been prepared in indirect method except in case of dividend, tax and purchase and sale of investments which have been considered on the basis of actual movement of cash.

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716
Date : 3rd October 2024

Date: 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

A. Equity Share Capital (Refer Note 12)

As at the beginning of the Quarter	**10.12**
Changes in Equity share capital during the Quarter	-
As at JUN 30, 2024	**10.12**

B. Other Equity (Refer Note 13)

Particulars	Reserves and surplus				Other reserves			Non Controlling Interest	Total
	General reserve	Retained earnings	Capital Reserve	Total	Fair Value through Other Comprehensive Income	Hedging reserve	Foreign currency translation reserve		
Balance as at the beginning of the Quarter	**224.84**	**116.47**	**145.50**	**486.81**	**(4.55)**	**0.58**	**107.20**	**-**	**103.23**
Add : Profit/(loss) for the Quarter		(55.94)		**(55.94)**				**-**	**-**
Add : Other comprehensive income		(1.25)		**(1.25)**	-	-	(0.27)	**-**	**(0.27)**
Add / (Less) : Associate profit adjustment		0.09		**0.09**				**-**	
Total Comprehensive Income for the Quarter	**-**	**(57.10)**	**-**	**(57.10)**	**-**	**-**	**(0.27)**	**-**	**(0.27)**
Add / (Less) : Reclassified to retained earnings								**-**	**-**
Balance as at JUN 30, 2024	**224.84**	**59.37**	**145.50**	**429.71**	**(4.55)**	**0.58**	**106.93**	**-**	**102.96**

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716

Date : 3rd October 2024

Date: 3rd October 2024

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024
2. PROPERTY, PLANT & EQUIPMENT

(Rupees in Crores)

Description	Property, Plant & Equipment								
	Freehold land	Leasehold Land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Right to Use Asset	Total
Gross block									
As at the beginning of the Quarter	39.04	45.94	513.55	1,993.01	12.83	30.24	7.74	59.39	2,701.74
Additions	-	7.41	-	14.31	-	0.32	-	-	22.04
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-
Sub-total	39.04	53.35	513.55	2,007.32	12.83	30.56	7.74	59.39	2,723.78
Sales / deletion	-	-	-	(5.76)	-	-	-	(2.36)	(8.12)
Total	**39.04**	**53.35**	**513.55**	**2,001.56**	**12.83**	**30.56**	**7.74**	**57.03**	**2,715.66**
Depreciation									
As at the beginning of the Quarter	-	(2.62)	(104.63)	(1,061.01)	(8.82)	(19.57)	(3.86)	(27.80)	(1,228.31)
For the Quarter	-	(0.14)	(3.09)	(31.85)	(0.21)	(0.91)	(0.19)	(1.60)	(37.99)
Foreign currency translation reserve	-	-	-	-	-	-	-	-	-
Sub-total	-	(2.76)	(107.72)	(1,092.86)	(9.03)	(20.48)	(4.05)	(29.40)	(1,266.30)
Withdrawn on assets sold / deleted	-	-	-	2.07	-	-	-	-	2.07
Total	**-**	**(2.76)**	**(107.72)**	**(1,090.79)**	**(9.03)**	**(20.48)**	**(4.05)**	**(29.40)**	**(1,264.23)**
Net Carrying amount as at JUN 30, 2024	**39.04**	**50.59**	**405.83**	**910.77**	**3.80**	**10.08**	**3.69**	**27.63**	**1,451.43**

Previous year's figures for asset classes have been regrouped in accordance with the current classification.

CAPITAL WORK-IN-PROGRESS (AT COST)

(a) Building	243.64
(b) Plant & equipment	209.30
(c) Others	1.15
Total	**454.09**

Ageing of Capital work-in- progress as on JUN 30, 2024:

Particulars	Amount in Capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	453.69	-	-	0.40	454.09

i) There were no material projects which have exceeded their original plan cost as at JUN 30, 2024

ii) Project which has exceeded its original timeline :

Project	Amount
Automation of Material handling process	0.40

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024
3 - INTANGIBLE ASSETS:

(Rupees In Crores)

Description	Software
Gross block	
As at the beginning of the Quarter	13.70
Additions	0.14
Foreign currency translation reserve	-
Sub-total	13.84
Sales / deletion	-
Total	**13.84**
Amortisation	
As at the beginning of the Quarter	(13.21)
For the Quarter	(0.12)
Foreign currency translation reserve	
Sub-total	(13.33)
Withdrawn on assets sold / deleted	-
Total	**(13.33)**
Net Carrying amount as at JUN 30, 2024	**0.51**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024
4A NON CURRENT INVESTMENTS

(Rupees in Crores)

Sl. No.	Name of the body corporate	Subsidiary / associate	No. of shares / units As at JUN 30, 2024	Face Value	Currency	Partly paid / fully paid	Amount As at JUN 30, 2024
(a)	**Investment in Equity Instruments measured at FVOCI**						
	Unquoted :						
(i)	Green Infra BTV Limited, New Delhi (formerly known as TVS Energy Limited)	Others	45,00,000	10.00	INR	Fully paid	4.50
(ii)	Sai Regency Power Corporation Private Limited, Chennai	Others	3,75,000	10.00	INR	Fully paid	0.38
(iii)	Nagai Power Private Limited, Hyderabad.	Others	1,33,010	10.00	INR	Fully paid	0.13
(iv)	Clean Max Genesis Pvt Ltd	Others	58,224	10.00	INR	Fully paid	11.22
	Quoted :						
(i)	Tulsyan NEC Limited, Chennai	Others	1,63,125	10.00	INR	Fully paid	0.50
	Total value of Equity Instruments (A)						**16.73**
(b)	**Other non-current Investments measured at FVTPL**						
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai	Others			INR	Fully paid	1.18
(ii)	Life Insurance Corporation Pension Policy, Chennai	Others			INR	Fully paid	7.11
	Total value of Other non-current Investments (B)						**8.29**
	Total (A) + (B)						**25.02**
	Less: Aggregate amount of impairment in value of investments						(0.37)
	Total						**24.65**

4B	**Investments in Associates accounted using Equity method**						
Sl. No.	**Name of the body corporate**	**Subsidiary / associate**	**No. of shares / units As at JUN 30, 2024**	**Face Value**	**Currency**	**Partly paid / fully paid**	**Amount As at JUN 30, 2024**
(i)	Sundram Non Conventional Energy Systems Limited, Chennai	Associate	1,17,650	10.00	INR	Fully paid	1.40
	Total						**1.40**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees in Crores)

5	**OTHER FINANCIAL ASSETS**	**As at JUN 30, 2024**
	Non-current	
	Rental deposits	10.05
	Total	**10.05**
	Current	
	Unsecured, Considered Good :	
	Employee Advances	7.65
	Claims receivable	18.13
	Derivatives (Forwards,POS,Call spread,IRS)	0.56
	Duty Drawback receivable	3.82
	Total	**30.16**

6	**OTHER NON-CURRENT ASSETS**	**As at JUN 30, 2024**
	Capital advances	43.92
	Advances - other than capital advances:	
	Statutory and other deposits	23.42
	Prepaid expenses	2.68
	Accrued lease rental asset	0.39
	Total other non-current assets	**70.41**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

7	**INVENTORIES (AT WEIGHTED AVERAGE COST OR NET REALISABLE VALUE WHICHEVER IS LESS)**	**As at JUN 30, 2024**
	Raw materials and components	43.01
	Goods-in-transit - Raw materials and components	1.66
	Work-in-progress	41.03
	Finished goods	230.88
	Stores and spares	79.93
	Total Inventories	**396.51**

8	**TRADE RECEIVABLES**	**As at JUN 30, 2024**
	Secured, considered good	-
	Unsecured, considered good	300.51
	Doubtful	10.82
	Sub total	311.33
	Less: Loss Allowance	10.82
	Total Trade Receivables *	**300.51**

* Refer note 37 for receivables from related parties

Ageing for trade receivables as on JUN 30, 2024

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
(i) Undisputed trade receivables - Considered good	300.51					300.51
(ii) Undisputed trade receivables - Which have significant increase in credit risk	-	6.21	1.82	2.35	0.44	10.82
(iii) Undisputed trade receivables - Credit impaired						-
(iv) Disputed trade receivables - Considered good						-
(v) Disputed trade receivables - Which have significant increase in credit risk						-
(vi) Disputed trade receivables - Credit impaired						-
Less: Allowance for Expected Credit loss	-	(6.21)	(1.82)	(2.35)	(0.44)	(10.82)
Total Trade Receivables as on JUN 30, 2024	**300.51**	**-**	**-**	**-**	**-**	**300.51**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

9	**CASH AND CASH EQUIVALENTS**	**As at JUN 30, 2024**
	Balances with banks	23.25
	Bank Deposits with maturity of more than three months and less than twelve months	0.10
	Cash on hand	0.02
	Total Cash and Cash equivalents	**23.37**
10	**OTHER BANK BALANCES**	**As at JUN 30, 2024**
	Earmarked balances with banks - Unpaid dividend	0.04
	Total Other Bank balances	**0.04**
11	**OTHER CURRENT ASSETS**	**As at JUN 30, 2024**
	Indirect taxes receivable	33.00
	Prepaid expenses	9.24
	Vendor advances	40.40
	Export incentives receivable	2.46
	Statutory deposits	6.41
	Total other current assets	**91.51**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024
12 - SHARE CAPITAL

(Rupees In Crores)

(a) **Details of authorised, issued and subscribed share capital**

(i) **Equity Share Capital**

Particulars	As at JUN 30, 2024	
	Number	Rs in Crores
Authorised Capital		
Equity Shares of Rs.5/- each	2,50,00,000	12.50
Issued, Subscribed & Paid up Capital		
Equity Shares of Rs.5/- each fully paid	2,02,32,104	10.12
	2,02,32,104	**10.12**

(ii) **Preference Share Capital**

Particulars	As at JUN 30, 2024	
	Number	Rs in Crores
Authorised Preference share Capital		
Preference Shares of Rs.10/- each	25,00,000	2.50
Issued, Subscribed & Paid up Capital		
0.1% Cumulative Non-convertible Redeemable Preference Shares Rs.10/- each fully paid (NCRPS)	8,73,032	0.87
	8,73,032	**0.87**

Note: The Group has issued NCRPS by utilising the reserves as per Composite Scheme of Arrangement(Refer note 36 iv), the same has been accounted as financial liability as per "Ind AS -32 Financial Instruments: Presentation" and disclosure under Current borrowings (refer note: 18)

(b) **Reconciliation of shares outstanding at the beginning and at the end of the Quarter**

(i) **Equity Share Capital**

Particulars	As at JUN 30, 2024	
	Number	Rs in Crores
Shares outstanding at the beginning of the Quarter	2,02,32,104	10.12
Shares Issued during the Quarter	-	-
Shares outstanding at the end of the Quarter	**2,02,32,104**	**10.12**

(ii) **Preference Share Capital**

Particulars	As at JUN 30, 2024	
	Number	Rs in Crores
Shares outstanding at the beginning of the Quarter	8,73,032	0.87
Shares Issued during the Quarter	-	-
Shares outstanding at the end of the Quarter	**8,73,032**	**0.87**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024
12 - SHARE CAPITAL

(Rupees In Crores)

(c) **i) Rights and preferences attached to equity share:**

Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act 2013.

There are no restrictions attached to equity shares.

ii) Rights attached to NCRPS share:

The NCRPS do not have voting rights other than in respect of matters directly affecting it.

(d) **Details of shares held by holding/ultimate holding/subsidiaries/associates of holding company at the end of 30th June 2024 for both Equity and Preference Share Capital**

Name of Shareholder	Relationship	Class of Share	As at JUN 30, 2024	
			No. of Shares held	% of Holding
VS Trust (Mr Venu Srinivasan, Trustee)	Controlling Entity	Equity	1,03,23,122	51.02

Name of Shareholder	Relationship	Class of Share	As at JUN 30, 2024	
			No. of Shares held	% of Holding
Nil	Nil	Preference	Nil	

(e) **Details of shareholders holding more than five percent at the end of 30th June 2024 (other than 12 (d)) above**

Name of Shareholder	Class of Share	As at JUN 30, 2024	
		No. of Shares held	% of Holding
SBI Long Term Equity Fund	Equity	19,21,616	9.50
Sundaram Finance Holdings Limited- Chennai		15,14,378	7.49

Name of Shareholder	Class of Share	As at JUN 30, 2024	
		No. of Shares held	% of Holding
Sundaram Finance Holdings Limited- Chennai	Preference	1,75,667	20.12
Aditya Birla Sun Life Mutual Fund		85,923	9.84
Govindlal M Parikh		53,114	6.08

(f) **Details of shares held by promoters**

Name of the Promoters	Class of Share	As at JUN 30, 2024	
		No. of Shares held	% of Holding
VS Trust (Mr Venu Srinivasan, Trustee)	Equity	1,03,23,122	51.02
Mr Venu Srinivasan		9,66,600	4.78

Name of the Promoters	Class of Share	As at JUN 30, 2024	
		No. of Shares held	% of Holding
VS Trust (Mr Venu Srinivasan, Trustee) Mr Venu Srinivasan	Preference	NIL	

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

13 - OTHER EQUITY

Particulars	**As at JUN 30, 2024**
General reserve	224.84
Retained earnings	59.37
Capital Reserve	145.50
Foreign currency translation reserve	106.93
Other reserves	(3.97)
Total reserves and surplus	**532.67**
Non-controlling interest	**-**

Nature and Purpose of reserves

i) General reserve:- General reserve is part of retained earnings. This is available for distribution to shareholders as dividend and capitalisation.

ii) Retained earnings:- Retained earnings are the accumulated profits earned by the Group till date, less transfer to general reserves, dividend and other distributions made to the shareholders.

iii) Capital reserves:- This represents reserves created in pursuant to Composite Scheme of arrangement.

iv) Foreign currency translation reserve :- It represents exchange differences arising from translation of financial statements of foreign operations into the Group's functional currency as per INDAS 21.

v) Other reserves:- Other reserves represents Other Comprehensive Income and Hedging reserve created as per INDAS 109.

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

14 - LONG TERM BORROWINGS

Description	Security	No. of instalments due	Frequency	Maturity	As at JUN 30, 2024
Secured:					
State owned corporation - SIPCOT	First and exclusive charge on specific plant and equipments of the Company.	1	Bullet payment	Apr-31	8.95
Rupee Term loan II	First pari passu charge - 50% security on plant and machinery *	17	Quarterly	Dec-27	125.00
Foreign Currency Non-resident Borrowings (FCNR(B)) III	Hypothecation of all current assets	19	Quarterly	Dec-28	90.45
USD Term Loan - HSBC Singapore	Pari passu charge on fixed assets	9	Half yearly	Dec-24	42.93
USD Term Loan - ICICI Gift City	SBLC from ICICI Bank Limited India	16	Quarterly	Apr-29	125.09
USD Term Loan - ICICI New York	SBLC from ICICI Bank Limited India	16	Quarterly	May-29	250.17
Unsecured :					
Non Convertible Debentures		2	Yearly	Aug-25	100.00
Rupee Term loan III - EXIM Bank		18	Quarterly	Sep-27	157.42
Rupee Term Loan IV - Indus Ind Bank		8	Quarterly	Mar-27	149.73
Federal Bank Loan		11	Quarterly	Feb-28	81.34
Total Borrowings :					**1,131.08**
Less : Current Maturities of long-term borrowings (Refer Note No. 18)					(181.12)
Total Long-term Borrowings					**949.96**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

Amount payable in each instalment other than bullet repayments:

Description	Currency	Type of Repayments	Interest
Rupee Term loan II - HDFC bank	INR	Structured instalments	3M Tbill + Margin
Rupee Term loan III - EXIM Bank	INR	Structured instalments	MCLR plus Margin
Foreign Currency Non-resident Borrowings (FCNR(B)) III - SBI Bank	USD	Structured instalments	6 Months SOFR plus margin
Non Convertible Debentures	INR	INR 50 Crores - from Aug-24	7.65%
Indus Ind Bank Loan	INR	Structured instalments	7.93%
Federal Bank Loan	INR	Structured instalments	8.10%
USD Term Loan - HSBC Singapore	USD	Structured instalments	6 Months SOFR plus margin
USD Term Loan - ICICI Gift City	USD	Structured instalments	3 Months SOFR plus margin
USD Term Loan - ICICI New York	USD	Structured instalments	3 Months SOFR plus margin

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

15 PROVISIONS

Particulars	JUN 30, 2024	
	Current	**Non-current**
Employee benefits (Refer Note 32)		
(a) Pension	3.42	6.31
(b) Leave salary	0.77	7.42
(c) Gratuity		0.61
	4.19	**14.34**
Others		
(a) Warranty	4.04	-
(b) Disputed tax provided for	9.67	-
(c) Customer provisions	37.24	-
(d) Other provisions		4.00
Total	**55.14**	**18.34**

Movement in provisions during the Quarter

Particulars	**Warranty**	**Disputed tax provided for**
Balance as at the beginning of the Quarter	3.93	10.47
Additional provisions made during the Quarter	0.11	
Amounts utilised	-	(0.80)
Closing balance as on JUN 30, 2024	4.04	9.67

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUN 30, 2024

(Rupees In Crores)

16 DEFERRED TAX LIABILITIES

The balance comprises temporary differences attributable to:

Particulars	As at JUN 30, 2024
Depreciation	35.42
Employee benefits	(3.45)
Financial assets & Financial liabilities	(5.89)
Others	(8.51)
Total deferred tax liabilities	**17.57**

17	OTHER LIABILITIES	As at JUN 30, 2024
	Non current	
	Government Grant - Deferred income	8.61
	Total	**8.61**
	Current	
	Statutory dues	5.37
	Advance received from customers	39.13
	Government Grant - Deferred income	3.78
	Other payables	4.34
	Total	**52.62**

18 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)

Particulars	As at JUN 30, 2024
0.1% Non Convertible Redeeemable Preference Shares (Refer Note 12)	0.87
Repayable on demand from banks	
Secured	236.25
Unsecured	235.70
Current maturities of Long term borrowings	181.12
Total Borrowings under Current Liabilities	**653.94**

Details of securities created for secured loans repayable on demand:

First charge by way of hypothecation and / or pledge of all current assets viz., inventories of raw materials, semi finished and finished goods, stores and spares, bills receivable, book debts and all other current assets.

(Rupees In Crores)

19	TRADE PAYABLES	As at JUN 30, 2024
	Current	
	Dues to Micro and Small Enterprises **	22.79
	Dues to enterprises other than Micro and Small Enterprises	466.51
	Total Trade payables *	**489.30**

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no undisputed overdues on Principal and no interest due or outstanding.

* Refer note 37 for Payables to Related Parties

Ageing for Trade Payables as on JUN 30, 2024

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
MSME	17.33	5.18	0.01	0.27	22.79
Others	405.23	58.84	-	2.44	466.51
Disputed Dues - MSME					-
Disputed Dues - Others					-
Total	**422.56**	**64.02**	**0.01**	**2.71**	**489.30**

20	OTHER FINANCIAL LIABILITIES	As at JUN 30, 2024
	Non current	
	Derivatives	-
		-
	Current	
	Interest accrued but not due on loans	15.80
	Unpaid Dividends	0.04
	Employee related liabilities	38.51
	Liabilities for expenses	0.43
	Derivatives	0.02
	Total other current financial liabilities	**54.80**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

21	**REVENUE FROM OPERATIONS**	**For the Quarter ended JUN 30, 2024**
	Sale of products	574.53
	Other operating revenue	5.90
	Total revenue * #	**580.43**
	* Refer Note 38(A) for Disaggregated revenue from operations	
	# Refer Note 37 for revenue from related parties	
22	**OTHER INCOME**	**For the Quarter ended JUN 30, 2024**
	Interest income	0.42
	Gain on foreign currency transactions and translation	0.65
	Lease Income	1.01
	Profit on sale of Property, Plant & Equipment	0.01
	Miscellanous Income	2.43
	Total other income	**4.52**
23	**COST OF MATERIALS CONSUMED**	**For the Quarter ended JUN 30, 2024**
	Opening stock of raw materials and components	36.33
	Add: Purchases *	332.80
		369.13
	Less:Closing stock of raw materials and components	43.01
	Consumption of raw materials and components	**326.12**
	* Refer Note 37 for purchases from related parties	
24	**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE:**	
	Opening stock:	
	Work-in-progress	35.89
	Finished goods	221.45
	Total - (A)	**257.34**
	Closing stock:	
	Work-in-progress	41.03
	Finished goods	230.88
	Total - (B)	**271.91**
	Total (A)-(B)	**(14.57)**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

25	**EMPLOYEE BENEFIT EXPENSE (REFER NOTE 32)**	**For the Quarter ended JUN 30, 2024**
	Salaries, wages and bonus	80.90
	Contribution to provident and other funds	7.79
	Welfare expenses	11.20
	Total employee benefit expense *	**99.89**
	* Refer Note 37 for remuneration and contribution paid to related parties	
26	**FINANCE COSTS**	**For the Quarter ended JUN 30, 2024**
	Interest	26.08
	Interest on lease liabilities	0.08
	Other borrowing costs	0.03
	Total finance costs	**26.19**
27	**DEPRECIATION AND AMORTISATION EXPENSE**	**For the Quarter ended JUN 30, 2024**
	Depreciation on Property, Plant and Equipment	36.25
	Depreciation on Right-to-use asset	1.60
	Amortisation on Intangible assets	0.12
	Amortisation on leasehold land	0.14
	Total depreciation and amortisation expense	**38.11**
28	**OTHER EXPENSES ***	**For the Quarter ended JUN 30, 2024**
	(a) Consumption of stores, spares and tools	20.41
	(b) Power and fuel	38.84
	(c) Repairs - buildings	7.60
	(d) Repairs - plant and equipment	17.57
	(e) Repairs - others	0.17
	(f) Insurance	3.48
	(g) Rates and taxes (excluding taxes on income)	2.78
	(h) Audit fees	0.16
	(i) Packing and freight charges	26.42
	(j) Loss on sale of Property, plant & equipment	0.27
	(k) Corporate social responsibility expenditure	0.15
	(l) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakh, whichever is higher)	41.38
	Total other expenses #	**159.23**
	* Net of recoveries and claims made	
	# Refer Note 37 for related party transactions	

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED JUN 30, 2024

(Rupees In Crores)

29	**CURRENT TAX**	**For the Quarter ended JUN 30, 2024**
	Current tax	4.87
	Total current tax	**4.87**
30	**DEFERRED TAX**	**For the Quarter ended JUN 30, 2024**
	Decrease (increase) in deferred tax assets	1.75
	(Decrease) increase in deferred tax liabilities	(0.70)
	Total deferred tax expense / (benefit)	**1.05**
	Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:	
	Particulars	**For the Quarter ended JUN 30, 2024**
	Profit before tax expense	(49.93)
	Tax at the Indian tax rate of 25.17%	**-**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	
	Expenses wholly/partially not allowed for deductions	0.06
	Tax payable on standalone basis	4.84
	Other items	1.02
	Tax expense / (benefit)	**5.92**
31	**EARNINGS PER SHARE (NOT ANNUALISED)**	
	Particulars	**For the Quarter ended JUN 30, 2024**
	(a) Basic and diluted earnings per share (Rs.)	(27.60)
	(b) Earnings of Group used as numerator in calculating basic and diluted earnings per share	(55.85)
	(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,02,32,104

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Crores)

32 - EMPLOYEE BENEFIT OBLIGATIONS

Particulars	JUN 30, 2024		
	Current	Non-current	Total
Pension	3.42	6.31	9.73
Leave Salary	0.77	7.42	8.19
Gratuity	-	0.61	0.61
Total employee benefit obligations	**4.19**	**14.34**	**18.53**

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the QUARTER are as follows:

Particulars	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
Balance as at the beginning of the Quarter	**25.40**	**26.51**	**(1.11)**	**9.39**	**-**	**9.39**	**8.71**	**-**	**8.71**
Current service cost	0.28	-	0.28	-	-	-	-	-	-
Interest expense/income	0.44	0.46	(0.02)	0.18	-	0.18	0.16	-	0.16
Experience (gains)/losses			-	-	-	-	(0.61)	-	(0.61)
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.03	-	0.03
Total amount recognised in statement of profit and loss	**0.72**	**0.46**	**0.26**	**0.18**	**-**	**0.18**	**(0.42)**	**-**	**(0.42)**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/income	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.15	-	0.15	0.07	-	0.07	-	-	-
Experience (gains)/losses	1.31	-	1.31	0.14	-	0.14	-	-	-
Total amount recognised in other comprehensive income	**1.46**	**-**	**1.46**	**0.21**	**-**	**0.21**	**-**	-	**-**
Employer contribution	-	-	-	-	-	-	-	-	-
Benefit payments	(0.11)	(0.11)	-	(0.05)	-	(0.05)	(0.10)	-	(0.10)
JUN 30, 2024	**27.47**	**26.86**	**0.61**	**9.73**	**-**	**9.73**	**8.19**	**-**	**8.19**

(Rupees In Crores)

32 - EMPLOYEE BENEFIT OBLIGATIONS

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	Gratuity	Pension	Leave Salary
	JUN 30, 2024	JUN 30, 2024	JUN 30, 2024
Discount rate	6.92%	6.91%	6.92%
Salary growth rate	5.50%	5.50%	5.50%
Mortality rate	IALM (2006-08) Ultimate		

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at 58 years.

(ii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Gratuity	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Details	JUN 30, 2024	JUN 30, 2024	
Discount rate	0.50%	26.05	29.03
Salary growth rate	0.50%	29.05	26.03
Mortality rate	5.00%	27.49	27.48

Pension	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Details	JUN 30, 2024	JUN 30, 2024	
Discount rate	1.00%	8.65	11.01
Salary growth rate	1.00%	11.08	8.59
Mortality rate	5.00%	9.64	9.80

Leave Salary	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Details	JUN 30, 2024	JUN 30, 2024	
Discount rate	0.50%	7.86	8.55
Salary growth rate	0.50%	8.56	7.85
Mortality rate	5.00%	8.20	8.19

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied when calculating the defined benefit liability recognised in the balance sheet.

(Rupees In Crores)

32 - EMPLOYEE BENEFIT OBLIGATIONS

(iii) Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans’ bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

Defined contribution plans:

The Group's contribution to defined contribution plan i.e., provident fund of Rs. 2.16 crores has been recognised in the Statement of Profit and Loss.

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Crores)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT
33 - FAIR VALUE MEASUREMENTS

Financial instruments by category	JUN 30, 2024		
	FVTPL	FVOCI	Amortised cost
Financial assets			
Investments			
- Equity instruments	-	16.36	-
- Others	8.29	-	-
Trade receivables	-	-	300.51
Cash & Cash Equivalents	-	-	23.41
Derivative financial assets	0.56	-	-
Security deposits	-	-	10.05
Other financial assets	-	-	29.60
Total financial assets	**8.85**	**16.36**	**363.57**
Financial liabilities			
Trade payables	-	-	489.30
Borrowings - Current	-	-	472.82
Borrowings - Non Current	-	-	949.96
Current Maturities of long term borrowings	-	-	181.12
Derivative financial liabilities	0.02	-	-
Lease Liabilities	-	-	7.82
Other financial liabilities	-	-	54.78
Total financial liabilities	**0.02**	**-**	**2,155.80**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

At JUN 30, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL:					
Derivative financial asset	5	-	0.56	-	0.56
Equity Instruments	4A		8.29	-	8.29
Financial assets at FVOCI:					
Investments					
- Equity instruments	4A	0.50	-	15.86	16.36
- Others		-	-		-
Total financial assets		**0.50**	**8.85**	**15.86**	**25.21**
Financial liabilities					
Financial liabilities at FVTPL:					
Derivative financial liability	20	-	0.02	-	0.02
Financial liabilities at FVOCI:					
- Others		-	-	-	-
Total financial liabilities		**-**	**0.02**	**-**	**0.02**

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Crores)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33 - FAIR VALUE MEASUREMENTS

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At JUN 30, 2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Trade receivables	8			300.51	**300.51**
Cash & Cash Equivalents	9,10			23.41	**23.41**
Security deposits	5			10.05	**10.05**
Other financial assets	5			29.60	**29.60**
Total financial assets		**-**	**-**	**363.57**	**363.57**
Financial Liabilities					
Borrowings	14,18	-	-	1,603.90	**1,603.90**
Trade payables	19			489.30	**489.30**
Lease Liabilities				7.82	**7.82**
Other financial liabilities	20			54.78	**54.78**
Total financial liabilities		**-**	**-**	**2,155.80**	**2,155.80**

(Rupees In Crores)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33 - FAIR VALUE MEASUREMENTS

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the period.

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.

- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

FVTPL - Fair value through statement of Profit and Loss; FVOCI - Fair value through Other Comprehensive Income.

(Rupees In Crores)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

33 - FAIR VALUE MEASUREMENTS

(iii) Fair value measurement using significant unobservable inputs (Level 3)

Particulars	Unlisted Equity Shares	Total
As at the beginning of the Quarter	**15.86**	**15.86**
Additions / (deletions)	-	-
Gains/(losses) recognised in profit or loss	-	-
Gains/(losses) recognised in other comprehensive income	-	-
As at JUN 30, 2024	**15.86**	**15.86**

(iv) Fair value of financial assets and liabilities measured at amortised cost

Particulars	JUN 30, 2024	
	Carrying amount	Fair value
Financial assets		
Equity Instruments	-	-
Trade receivables	300.51	300.51
Cash & Cash Equivalents	23.41	23.41
Security deposits	10.05	10.05
Other financial assets	29.60	29.60
Total financial assets	**363.57**	**363.57**
Financial Liabilities		
Borrowings	1,603.90	1,603.90
Trade payables	489.30	489.30
Lease Liabilities	7.82	7.82
Other financial liabilities	54.78	54.78
Total financial liabilities	**2,155.80**	**2,155.80**

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

34 - FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Market Risk - Foreign exchange		i) The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. ii) Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). iii) The risk is measured through a forecast of highly probable foreign currency cash flows. The Group has a forex management policy which is duly approved by the Board. iv) The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
Market Risk - Interest rate	Foreign currency denominated borrowings	i) The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow risk. ii) Group's policy is to maintain most of its borrowings at fixed rate using interest rate swaps. The Group's fixed rate borrowings are carried at amortised cost. iii) Foreign currency borrowings are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.
Market Risk - Foreign Currency	Export trade receivables and Import Payables	i) The Group has a forex management policy duly approved by the Board. The Group's policy is to hedge most of its net currency exposure. ii) Group reviews the forex exposure on a regular basis and also reports its adherence to the Board on a QUARTERly basis. The recording and reporting requirements are strictly adhered.

34 - FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Market Risk - Foreign Currency	Foreign currency denominated borrowings	The Group has hedged its borrowings by covering the principal repayments using Principal Only Swaps and cost reduction structure viz., Call Spread under the approved Forex management policy.
Liquidity risk	Borrowings (Other than soft loans given by Govt. Authorities)	i) The Group’s liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. ii) The Group prepares a detailed annual operating plans to assess the fund requirements - both short term and long term. iii) Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. iv) Group has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. v) For long term fund requirements, Group targets various options such as rupee term loan, external commercial borrowing, debentures etc. vi) The Group obtains a credit rating for the various borrowing facilities on annual basis. Group constantly monitors the free cashflow from operations to ensure that the borrowings are minimized.

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

34 - FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit Risk		i) Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. ii) The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting QUARTER. iii) To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. iv) It considers available reasonable and supportive forward-looking information (more specifically described below). v) A default on a financial asset is when the counterparty fails to make contractual payments within 180 days of when they fall due. This definition of default is determined by considering the business environment in which Group operates and other macro-economic factors.
a.	Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
b.	Domestic Trade Receivables	i) The Group extends credit to the customers and such extension of credit is based on customers' credit worthiness, ability to repay and past track record. ii) The Group has extensive reporting systems and review to constantly monitor the receivables.
c.	Export Trade Receivables	The Group's export customers are Original Equipment Manufacturers with high credit rating. Export receivables are also covered through Insurance with Export Credit Guarantee Corporation of India Limited.

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(Rupees In Crores)

34 - FINANCIAL RISK MANAGEMENT - (CONTINUED)

(A) Credit risk

Basis of recognition of expected credit loss & providing for such loss

Rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past.			
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time expected credit losses		
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.			
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit and loss.	Asset is written off		

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(Rupees In Crores)

34 - FINANCIAL RISK MANAGEMENT - (CONTINUED)

JUN 30, 2024

a). Expected credit loss for investments, loans and other financial assets

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	1	Investments at amortised cost	-	-	-	-
	1	Other financial assets	39.65	-	-	39.65

b). Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	300.51	10.82	311.33
Expected loss rate	0%	100%	-
Expected credit losses	-	10.82	10.82
Carrying amount of trade receivables	300.51	-	300.51

(Rupees In Crores)

34 - FINANCIAL RISK MANAGEMENT - (CONTINUED)

Reconciliation of loss allowance provision - Trade receivables

Loss allowance as at the beginning of the Quarter	**9.84**
Changes in loss allowance	0.98
Loss allowance as at JUN 30, 2024	**10.82**

(B) Liquidity risk

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating rate	JUN 30, 2024
- Expiring within one year (bank overdraft and other facilities)	239.74

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity ranging from 30 to 180 days.

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

JUN 30, 2024

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	357.37	243.54	53.03	949.96	-	**1,603.90**
Trade payables	489.30	-	-	-		**489.30**
Lease liabilities	0.17	0.18	2.64	4.83	-	**7.82**
Other financial liabilities	54.80	-	-	-	-	**54.80**

(Rupees In Crores)

34 - FINANCIAL RISK MANAGEMENT - (CONTINUED)

(C) Market risk

(i) Foreign exchange risk

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	JUN 30, 2024	
	USD	EUR
Financial assets		
Trade receivables	314.94	51.44
Derivatives	0.24	0.32
Exposure to foreign currency risk (assets)	**315.18**	**51.76**
Financial liabilities		
Foreign currency loan	90.45	18.07
Trade payables	46.65	19.21
Derivatives	0.01	0.01
Exposure to foreign currency risk (liabilities)	**137.11**	**37.29**
Net Exposure to foreign currency risk assets / (liabilities)	**178.07**	**14.47**

Note: Group has insignificant exposure to other foreign currencies and therefore the foreign currency risk of the same is immaterial

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Particulars	Impact on profit after tax*	Impact on other components of equity*
	JUN 30 ,2024	JUN 30 ,2024
USD sensitivity		
INR/USD Increases by 10%	17.81	-
INR/USD Decreases by 10%	(17.81)	-
EURO sensitivity		
INR/EURO Increases by 10%	1.45	-
INR/EURO Decreases by 10%	(1.45)	-

* Holding all other variables constant

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(Rupees In Crores)

34 - FINANCIAL RISK MANAGEMENT - (CONTINUED)

(ii) Interest Rate risk

For short term borrowings the marginal cost of lending rate of the bank is followed. In respect of foreign currency borrowings for longer Quarter, the interest rates are covered through interest rate swaps (IRS).

Particulars	JUN 30, 2024
Variable rate borrowings	1,047.56
Fixed rate borrowings	556.34

Sensitivity	Impact on profit after tax
	JUN 30, 2024
Increase in interest rates by 100 bps	(10.48)
Decrease in interest rates by 100 bps	10.48

(iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through other comprehensive income or at fair value through statement of profit and loss. To manage its price risk from investments in equity securities, the Group diversifies its portfolio. The impact of the changes in price risk is not material.

(D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position as at JUN 30, 2024

Type of hedge and risks	Nominal value		Carrying amount hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Foreign exchange forward contracts	133.75	91.73	0.56	0.02	Jul'24 to Oct'24	0.54	(0.54)
Principal Only Swaps(POS), Interest Rate Swaps(IRS) & Call Spread	-	-	-	-	NA	-	-

(Rupees In Crores)

34 - FINANCIAL RISK MANAGEMENT - (CONTINUED)

ii) Disclosure of effects of hedge accounting on financial performance
for the Quarter ended JUN 30, 2024 :

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge : Foreign exchange forward contracts & IRS	-	(0.54)	-	-

Movements in Cash flow hedging reserve

Particulars	Forward Contracts	Interest Rate Swap	Total
Balance as at the beginning of the Quarter	**0.58**	**-**	**0.58**
Change in fair value of hedging instruments net of tax	-	-	-
Reclassification to statement of profit and loss	-	-	-
Deferred tax on the above	-	-	-
Closing balance as at June 30, 2024	**0.58**	**-**	**0.58**

(Rupees In Crores)

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

35 - CAPITAL MANAGEMENT

(a) Risk management

The Group's objectives in regard to managing capital are

- safeguard its status as a going concern
- to ensure returns to shareholders
- to ensure benefits to stakeholders
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain optimum capital structure, the board may

- increase the capital by fresh issue of shares or
- reduce the same by return to equity holders
- vary the equity by increasing or reducing the quantum of dividend

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:
Net debt divided by total equity

Gearing ratio refers to the level of a Group's debt compared to its total equity.

The Group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Particulars	JUN 30, 2024
Net Debt	1,579.76
Total equity	542.79
Net Debt to equity ratio	**2.91**

The Group also monitors interest coverage ratio :

Group's Earnings Before Interest ,Taxes, Depreciation & Amortization (EBITDA) divided by interest .

The Group's strategy is to maintain a optimum interest coverage ratio. The interest coverage ratio were as follows:

Particulars	JUN 30, 2024
EBITDA	12.69
Interest	26.11
Interest coverage ratio	**0.49**

(Rupees In Crores)

36 - OTHER DISCLOSURES

(i) Contingent liabilities

Details	JUN 30, 2024
(i) Claims against the Group not acknowledged as debt	
- Goods and Service Tax#	1.50
(ii) Guarantees excluding Financial Guarantees	-
(iii) Other money for which the Group is contingently liable	-
Total	**1.50**

#The Group has filed appeals with the respective appellate authorities in respect of these demands.

(ii) Capital commitments

Details	JUN 30, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	242.77
Total	**242.77**

(iii) Borrowing costs capitalised :

Borrowing cost capitalised during the period Rs.6.27 Crores

The capitalisation rate used to determine borrowing costs to be capitalised is weighted average interest rate of 8.13%.

(iv) Composite scheme of arrangement :

During Financial Year 2023-24, the entire manufacturing business of TVS Holdings Limited (formerly known as Sundaram-Clayton Limited) was demerged, transferred and vested into Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) effective 11th August 2023 on going concern basis in accordance with the Composite Scheme of Arrangement ("Scheme") amongst TVS Holdings Limited (formerly Sundaram-Clayton Limited) and TVS Holdings Private Limited and VS Investments Private Limited and Sundaram-Clayton Limited (formerly Sundaram-Clayton DCD Limited) and their respective shareholders and creditors sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its Order dated 6th March 2023.

In terms of the Scheme, the Board had on 11th August 2023, issued and allotted the following shares in consideration of the Demerger to the shareholders of TVS Holdings Limited:

a) 1 (One) fully paid-up Equity Share of INR 5 each of the Resulting Company, for every 1 (One) Equity Share of INR 5 each held in the Company; and

b) 1 (One) fully paid-up Cumulative Non-Convertible Redeemable Preference Share of INR 10 each ("Preference Shares") of the Resulting Company, for every 1,000 Preference Shares of INR 10 each held in the Company thereby resulting in a mirror shareholding of TVS Holdings Limited in the Company.

The equity shares of the Company were listed to trade on BSE Limited and National Stock Exchange of India Limited w.e.f. 29th December, 2023.

(Rupees In Crores)

36 - OTHER DISCLOSURES

(v) Leases :

Group as a Lessee

The Group has taken plant & equipment on lease for lease period ranging 3-10 years

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the period is Rs. 1.10 crores

Payment made towards low value asset leases during the period: Nil

Payment relating to leases are disclosed in Cash flow statement.

Income from sub-leasing of Right of use asset: Nil

37 - RELATED PARTY DISCLOSURE

LIST OF RELATED PARTIES

a)	**Reporting entity:**		Sundaram-Clayton Limited, Chennai (SCL)
b)	**Controlling Entity**	(i)	VS Trust (Mr Venu Srinivasan, Trustee)
c)	**Subsidiaries:**	(i)	Sundaram-Clayton (USA) Limited, USA
		(ii)	Sundaram Holding USA Inc, Delaware, USA
		(iii)	Sundaram-Clayton Gmbh, Germany
			<u>Subsidiary companies of Sundaram Holding USA Inc, Delaware, USA</u>
		(i)	Green Hills Land Holding LLC, South Carolina, USA
		(ii)	Components Equipment Leasing LLC, South Carolina, USA
		(iii)	Sundaram - Clayton (USA) LLC, South Carolina, USA
		(iv)	Premier Land Holding LLC, South Carolina, USA
			<u>Associate companies :</u>
		(i)	Sundram Non-Conventional Energy Systems Limited, Chennai
d)	**Enterprises under Common control**	(i)	TVS Holdings Limited, Chennai
		(ii)	TVS Motor Company Limited, Chennai
		(iii)	Sundaram Auto Components Limited, Chennai
		(iv)	TVS Credit Services Limited, Chennai
		(v)	Emerald Haven Realty Limited, Chennai
		(vi)	TVS Training and Services Limited, Chennai
e)	**Key management personnel (KMP)**		
			<u>Executive Directors:</u>
		(i)	Mr. Venu Srinivasan, Chairman Emeritus & Managing Director
		(ii)	Dr . Lakshmi Venu, Managing Director
		(iii)	Mr. Vivek S Joshi, Director & CEO
			<u>Non Executive Directors :</u>
			<u>Independent Directors:</u>
		(i)	Ms.Sasikala Varadachari
		(ii)	Mr.C R Dua
		(iii)	Mr.R Gopalan
			<u>Non Independent Directors :</u>
		(i)	Mr. Rajesh Narasimhan
		(ii)	Mr. R Anandakrishnan (w.e.f. Nov 10, 2023)
f)	**Post employment benefit plans**	(i)	Sundaram- Clayton Limited Employees Provident Fund, Chennai
		(ii)	Sundaram- Clayton Limited Employees Gratuity Fund , Chennai

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Crores)

37 - RELATED PARTY TRANSACTIONS

Sl No	Nature of transactions	Name of the company	Controlling Entity	Associates	KMP	Relative of KMP	Other related party	Total
1	Purchase of goods	TVS Motor Company Limited, Chennai	-	-	-	-	3.55	3.55
			-	-	-	-	3.55	3.55
2	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai	-	-	-	-	104.11	104.11
			-	-	-	-	104.11	104.11
								-
			-	0.08	-	-	-	0.08
3	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	0.08	-	-	-	0.08
								-
4	Rendering of services	TVS Motor Company Limited, Chennai	-	-	-	-	0.92	0.92
		Sundaram Auto Components Limited, Chennai	-	-	-	-	0.34	0.34
		TVS Credit Services Limited, Chennai	-	-	-	-	0.13	0.13
		TVS Holdings Limited		-	-	-	0.11	0.11
		Emerald Haven Realty Limited, Chennai	-		-	-	0.17	0.17
			-	-	-	-	1.67	1.67
5	Receiving of services	Sundaram Auto Components Limited, Chennai	-				1.34	1.34
		TVS Training and Services Limited, Chennai	-				0.24	0.24
		TVS Motor Company Limited, Chennai	-				0.45	0.45
			-	-	-	-	2.03	2.03

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Rupees In Crores)

37 - Related party transactions (continued)

Sl No	Nature of transactions	Name of the company	Controlling Entity	Associates	KMP	Relative of KMP	Other related party	Total
6	Remuneration paid	Key Management Personnel	-	-	3.82	-	-	3.82
			-	-	3.82	-	-	3.82
								-
7	Contribution to post employment benefit plan	Sundaram- Clayton Limited Employees Provident Fund, Chennai	-	-	-	-	3.59	3.59
		Sundaram- Clayton Limited Employees Gratuity Fund , Chennai	-	-	-	-	-	-
			-	-	-	-	3.59	3.59
8	Dividend received	Sundram Non-Conventional Energy Systems Limited, Chennai	-	-	-	-	-	-
			-	-	-	-	-	-
9	Outstanding as on JUN 30, 2024 Receivables	TVS Motor Company Limited, Chennai			-	-	20.45	20.45
		Sundaram Auto Components Limited, Chennai	-		-	-	0.43	0.43
		TVS Credit Services Ltd, Chennai	-		-	-	0.39	0.39
		TVS Holdings Limited					2.14	2.14
			-	-	-	-	23.41	23.41
10	Outstanding as on JUN 30, 2024 Payables	TVS Motor Company Limited, Chennai	-		-	-	0.11	0.11
		Sundaram Auto Components Limited, Chennai	-		-	-	0.59	0.59
		Sundram Non-Conventional Energy Systems Limited, Chennai		0.04				0.04
		Emerald Haven Realty Limited, Chennai	-		-	-	0.01	0.01
			-	0.04	-	-	0.71	0.75

(Rupees in crores)

38 REVENUE FROM CONTRACT WITH CUSTOMERS

A **Disaggregated revenue**

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

Sl.No	Particulars	For the Quarter ended JUN 30, 2024
A.	Type of goods or service	
1.	Automotive components	580.43
		580.43
B.	Geographical markets	
1.	Domestic	276.53
2.	Exports	303.90
		580.43

B The Group operates in the segment of Automotive components.

C **Reconciliation of contracts with customers**

Movement of contract liabilities for the reporting period given below:

Particulars	For the Quarter ended JUN 30, 2024
Contract Liabilities at the beginning of the Quarter	30.82
Add / (Less) :	
Consideration received during the period as advance	8.31
Contract Liabilities at the end of the Quarter	**39.13**

Payment is received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

D **Transaction price allocated to the remaining performance obligations**

The Group's contracts with customers are short term(i.e.,the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

E **Reconciliation of amount of revenue recognised in statement of profit and loss with the contracted price**

Particulars	JUN 30, 2024
Sale of Products	
Contract Price	580.43
Revenue recognised	**580.43**
Contract balances:	
a. Contract assets - Trade receivables (refer note 8)	300.51
b. Contract liabilities - Advance from Customers (refer note 17)	39.13

SUNDARAM-CLAYTON LIMITED (Formerly known as Sundaram-Clayton DCD Limited)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 39 : Interests in other entities

(a) Subsidiaries

The Group's subsidiaries at JUN 30, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group	Ownership interest held by non-controlling interests	Principal activities
		JUN 30, 2024	JUN 30, 2024	
Sundaram-Clayton (USA) Limited, USA	USA	100.00%	0.00%	Others
Sundaram Holding USA Inc., Delaware,USA	USA	100.00%	0.00%	Automotive components
Green Hills Land Holding LLC, USA	USA	100.00%	0.00%	Others
Component Equipment Leasing LLC, USA	USA	100.00%	0.00%	Others
Sundaram-Clayton USA LLC, USA	USA	100.00%	0.00%	Automotive components
Premier Land Holding LLC, USA	USA	100.00%	0.00%	Others
Sundaram - Clayton GmbH, Germany	Germany	100.00%	0.00%	Others

(Rupees in Crores)

Note 39 : Interests in other entities (contd)

(b) Interests in associates and joint ventures

The Group has interests in 1 associate that is accounted using equity method.

Particulars	JUN 30, 2024
Aggregate carrying amount of associate	1.40

Particulars	JUN 30, 2024
Share of profits from associates	0.09
Other Comprehensive Income	-
Total Comprehensive Income	0.09

(Rupees in Crores)

40 Additional Information on net assets and share of profits as at JUN 30, 2024

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores	As % of other comprehensive income	Amount Rs. in crores	As % of total comprehensive income	Amount Rs. in crores
1	2	3	4	5	6	7	8	9
Parent								
Sundaram-Clayton Limited, Chennai	149.87%	813.49	(30.67%)	17.13	82.24%	(1.25)	(27.68%)	15.88
Subsidiaries - Foreign								
Sundaram-Clayton (USA) Limited, Illinois	(0.01%)	(0.06)	0.07%	(0.04)	0.00%	-	0.07%	(0.04)
Sundaram Holding USA Inc., Delaware, USA	85.72%	465.30	129.92%	(72.56)	0.00%	-	126.48%	(72.56)
Sundaram - Clayton GmbH, Germany	0.91%	4.94	(0.13%)	0.07	0.00%	-	(0.12%)	0.07
Sub-total		1,283.67		(55.40)		(1.25)		(56.65)
Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total		1,283.67		(55.40)		(1.25)		(56.65)

(Rupees in Crores)

40 Additional Information on net assets and share of profits as at JUN 30, 2024

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores	As % of other comprehensive income	Amount Rs. in crores	As % of total comprehensive income	Amount Rs. in crores
1	2	3	4	5	6	7	8	9
Add:								
Associates								
(Investment as per the equity method)								
Sundram Non-Conventional Energy Systems Limited , Chennai	0.26%	1.40	(0.16%)	0.09	0.00%	-	(0.16%)	0.09
Sub-total	236.75%	1,285.07	99.03%	(55.31)	82.24%	(1.25)	98.60%	(56.56)
Less: Effect of intercompany eliminations	136.75%	742.28	(0.97%)	0.54	(17.76%)	0.27	(1.40%)	0.81
Total - Attributable to owners	**100%**	**542.79**	**100%**	**(55.85)**	**100%**	**(1.52)**	**100%**	**(57.37)**

Note

The above amounts / percentage of net assets and net profit or (loss) in respect of the parent company, its subsidiaries and associates are determined based on the standalone financial statements amounts of the respective entities included in consolidated financial statements before inter-company eliminations / consolidation adjustments

VIVEK S JOSHI
Director & CEO
DIN: 09522758

P D DEV KISHAN
Company Secretary

AJAY KUMAR
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn. No.007761S

V SATHYANARAYANAN
Partner
Membership No.:027716

Date : 3rd October 2024

Date : 3rd October 2024

SUNDARAM-CLAYTON LIMITED

1. SIGNIFICANT ACCOUNTING POLICIES

1. Material Accounting Policies

The accounting policies mentioned herein are relating to the Condensed Consolidated financial statements of Sundaram-Clayton Limited and its subsidiaries and associates.

a) Brief description of the Company

Sundaram-Clayton Limited ('the Company') is a public limited company incorporated in India whose shares are publicly traded. The registered office is located at "Chaitanya", 12, Khader Nawaz Khan Road, Nungambakkam Chennai – 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in the activities of manufacturing automotive components.

During the Financial Year 2023-24, the entire manufacturing business of TVS Holdings Limited (formerly known as Sundaram-Clayton Limited) was demerged, transferred and vested into Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) effective 11th August 2023 on going concern basis in accordance with the Composite Scheme of Arrangement ("Scheme") amongst TVS Holdings Limited (formerly Sundaram-Clayton Limited) and TVS Holdings Private Limited and VS Investments Private Limited and Sundaram-Clayton Limited (formerly Sundaram-Clayton DCD Limited) and their respective shareholders and creditors sanctioned by the Hon'ble National Company Law Tribunal, Chennai Bench ("NCLT") vide its Order dated 6th March 2023.

b) Basis of preparation

The Condensed Consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The Group's financial statements have been prepared on a going concern basis.

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain assets and liabilities (as per the accounting policy below), which have been measured at fair value. These financial statements for the period ended 30th June 2024 have been approved and authorised for issue by the Qualified Institutional Placement Committee on 3rd October 2024.

Principles of Consolidation

Business Combination:

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together, items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. (This is generally the case where the Group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. The estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgment or complexity. It also provides an overview of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with the information about the basis of calculation for each affected line item in the financial statements

d) Significant estimates and judgments

The areas involving significant estimates or judgments are:

i) Estimation of fair value of unlisted securities - (Refer Note 33 (iii))
ii) Estimation of defined benefit obligation - (Refer Note 32)
iii) Estimation of useful life of Property, Plant and Equipment - (Refer Note 1(i) and 1(j))
iv) Estimation of Expected Credit Loss on Trade receivables (Refer Note 34A)

e) Cost Recognition

Costs and expenses are recognised when incurred and are classified according to their nature. Expenditure are capitalized where appropriate, in accordance with the policy for internally generated intangible assets and represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction and product development undertaken by the Group.

1. SIGNIFICANT ACCOUNTING POLICIES

f) Revenue recognition

i) Sale of automotive components:

Revenue is recognized when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

ii) Sale of Services:

Revenue from Services is recognised in the accounting period in which the services are rendered.

iii) Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

g) Dividend:

Any dividend declared by Company is based on the profits available for distribution as reported in the statutory Standalone financial statements. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory Standalone financial statements after providing for depreciation as per the Companies Act, 2013.

However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and Payment of Dividend) Rules, 2014.

h) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation / amortization and impairment, if any.

Cost includes:

i) purchase price,
ii) taxes and duties,
iii) labour cost, and
iv) Directly attributable overheads incurred up to the date the asset is ready for its intended use.

However, cost excludes GST, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Government grants relating to the purchase of property, plant and equipment are capitalized and included as cost to property,plant & equipment.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other gains/ (losses).

i) Depreciation

i) Depreciation on tangible property,plant & equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated by a Chartered Engineer, on straight line method and in accordance with Ind AS 16, taking into consideration both usage, useful life and legal limitations on the use of assets, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

ii) The estimated useful life of the tangible property,plant & equipment as assessed by the Chartered Engineer and followed by the Group is furnished below:

Description	Years
Factory building and other buildings	30 to 64
Plant and Equipment	8 to 21
Electrical Equipment	15
Furniture and Fixtures	10
Computers	3
Mobile phones	1
Vehicles	6

iii) The residual value for all the above assets are retained at 5% of the cost except for Mobile phones for which nil residual value is considered. Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

iv) On tangible property,plant & equipment added / disposed off during the period, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

v) Depreciation in respect of tangible assets costing individually less than Rs.5,000/- is provided at 100%.

vi) Premium on Leasehold land is amortized over the period of lease.

j) Intangible assets

Intangible assets acquired separately:
Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

Internally-generated intangible assets - research and development expenditure:
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 34 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2 years in the case of software.

k) Impairment

At each balance sheet date, the Group assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any.

When necessary, the entire carrying amount of the Equity accounted investments is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount.

An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s/CGU’s fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash generating unit) for which the estimates of future cash flows have not been adjusted.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

l) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). i.e. in Indian rupees (INR) and all values are rounded off to nearest crores except where otherwise indicated.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

(a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.

(b) Non-monetary items denominated in foreign currency such as investments, property,plant & equipment, etc., are valued at the exchange rate prevailing on the date of transaction.

(c) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that balance sheet

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

c) all resulting exchange differences are recognised in other comprehensive income.

m) Hedge accounting

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss, within other gains/ (losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects the Statement of Profit and Loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss within other gains/ (losses).

n) Inventories

Inventories are valued at the lower of cost and net realizable value.

i. Cost of raw materials, components, stores, spares are determined on a moving average basis.

ii. Finished Goods and Work in Progress are valued at Standard cost.

iii. Cost of finished goods and work-in-process comprises of direct materials, direct labour and an applicable proportion of variable and fixed overhead expenditure, fixed overhead expenditure absorbed on the basis of normal operating capacity.

iv. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

v. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

o) Employee benefits

i) <u>Short term obligations:</u>

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized upto the end of the reporting period at the amounts expected to be paid at the time of settlement.

ii) <u>Other long term employee benefit obligations:</u>

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, recognized and provided for at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Group operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for eligible senior managers; and

b) Defined contribution plan such as provident fund.

a) Pension and gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

b) Provident fund:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Group. The Group is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognizes such contributions and shortfall, if any, as an expense in the year in which it is incurred.

iv) Bonus plans:

The Group recognizes a liability and an expense for bonus. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

p) Taxes on income

Tax expense comprises of (i) current tax and (ii) deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

q) Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes receivable.

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit or loss as and when the obligations are fulfilled and presented within other income.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in "Other Income" on completion of export obligation as approved by Regulatory Authorities.

r) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is accounted based on technical evaluation, when the products are sold.

Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The group operates in only one segment – Die casting of Automotive components

t) Leases

Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognized in profit and loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

1. SIGNIFICANT ACCOUNTING POLICIES

u) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

v) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

w) Contract Liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the consideration is received. Contract liabilities are recognized as revenue when the Group performs under the contract.

x) Investments and Other financial assets

i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

<u>Equity instruments:</u>

1. SIGNIFICANT ACCOUNTING POLICIES

The Group subsequently measures all investments in equity (except of the subsidiaries / associates) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Group elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognized in the statement of profit and loss.

(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 34(A) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized from initial recognition of the receivables.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

1. SIGNIFICANT ACCOUNTING POLICIES

(iv) Derecognition of financial assets

A financial asset is derecognised only when:

a) the Group has transferred the rights to receive cash flows from the financial asset or

b) The Group retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Dividend income:

Dividends are recognized in statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

1. SIGNIFICANT ACCOUNTING POLICIES

y) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognized as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statement of Profit and Loss as other gain/(loss).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for over or atleast 12 months after the reporting period.

z) Current and Non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. In Group's considered view, twelve months is its operating cycle for all entities within the Group.

aa) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

ab) Earnings Per Share (EPS)

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone : 2556 7578 /
2551 4771 / 4140 4830

Independent Auditor's Limited Review Report on the Unaudited Standalone Quarterly Financial Results of the company for the Quarter Ended 30th June, 2024 pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,
The Board of Directors,
Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited)
Chaitanya, No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai 600 006.

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **Sundaram-Clayton Limited** (formerly known as Sundaram-Clayton DCD Limited) (the 'Company'), for the Quarter ended 30th June, 2024 (the 'Statement') attached herewith being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the 'Listing Regulations').

2. This statement is the responsibility of the Company's Management and approved by the Board of Directors at their meeting held on 9th August, 2024 and has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel responsible for financial and accounting matters, and applying the analytical and other review procedures to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Regn. No: 007761S

V Sathyanarayanan
Partner
Membership No. 027716
Date: 9th August, 2024
Place: Bengaluru
UDIN: 24027716BKCNPO4543

SUNDARAM-CLAYTON LIMITED

(Formerly known as Sundaram-Clayton DCD Limited)

Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

Tel : 044-2833 2115, Website : www.sundaram-clayton.com Email : corpsec@sundaramclayton.com CIN : L51100TN2017PLC118316

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2024

(Rs in Crores)

S.No.	Particulars	Quarter Ended		Period Ended
		30.06.2024	31.03.2024	31.03.2024
		(Unaudited)		(Audited)
1	**Income**			
	a) Revenue from operations	549.04	532.32	1,341.92
	b) Other Income	4.52	7.69	33.88
	Total Income	**553.56**	**540.01**	**1,375.80**
2	**Expenditure**			
	a) Cost of materials consumed	305.24	296.37	703.77
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(10.98)	(31.67)	(9.45)
	c) Employee benefit expenses	61.92	70.55	152.68
	d) Finance Costs	13.73	13.00	31.09
	e) Depreciation and amortisation expense	24.38	26.18	65.07
	f) Other expenses	136.25	135.99	343.84
	Total Expenditure	**530.54**	**510.42**	**1,287.00**
3	**Profit/(loss) from Ordinary Activities before Exceptional items (1-2)**	**23.02**	**29.59**	**88.80**
4	Exceptional Items - Gain / (Loss)	-	(0.37)	(1.60)
5	**Profit/(loss) from Ordinary Activities before tax (3+4)**	**23.02**	**29.22**	**87.20**
6	Tax expense			
	a) Current tax	4.84	12.37	26.96
	b) Deferred tax	1.05	(3.88)	(4.28)
	Total tax expense	**5.89**	**8.49**	**22.68**
7	**Profit /(loss) for the Period (5-6)**	**17.13**	**20.73**	**64.52**
8	**Other Comprehensive Income (net of tax)**			
	a) Items that will not be reclassified to profit or loss	(1.25)	(0.61)	(1.26)
	b) Items that will be reclassified to profit or loss	-	(0.06)	(0.34)
9	**Total Comprehensive Income/(loss) for the period (7+8)**	**15.88**	**20.06**	**62.92**
10	Paid up equity share capital (Face value of Rs.5/- each)	10.12	10.12	10.12
11	Reserves excluding Revaluation Reserve			787.49
12	**Earnings Per Share (EPS)(Face value of Rs.5/- each)(not annualised)**			
	(i) Basic (in Rs.)	8.47	10.25	31.89
	(ii) Diluted (in Rs.)	8.47	10.25	31.89

Notes:

1 The above unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 9th August 2024. These results have been subjected to limited review by the Statutory Auditors of the Company.

2 In accordance with the Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Chennai Bench by an order dated 6th March, 2023, the manufacturing business, along with its related assets and liabilities at the values appearing in the books of accounts of TVS Holdings Limited on the close of business hours as on 10th August , 2023, was demerged, transferred and vested into the Company with effect from 11th August , 2023. Hence results for the comparative period ended 31st March, 2024 starts from 11th August 2023.

3 The comparative financial information of corresponding previous period taking the demerger into effect is given below:

(Rs in Crores)

Particulars	Quarter Ended
	01.04.2023 to 30.06.2023
Revenue from Operations	521.15
Profit Before Tax (After Exceptional Item)	25.34
Profit After Tax (After Exceptional Item)	23.11

4 During the quarter, the Company has invested Rs. 91.90 Crores in its overseas subsidiary, Sundaram Holding USA Inc.

5 The figures of the preceding 3 months ended 31st March 2024 are the balancing figures between the audited figures in respect of the previous financial period and the published year to date figures upto the third quarter of the financial year.

6 Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

RAGHAVAN CHAUDHURI & NARAYANAN Chartered Accountants

SUNDARAM-CLAYTON LIMITED CHENNAI

FOR SUNDARAM-CLAYTON LIMITED

R Gopalan
Chairman

Date : 9th August 2024

SUNDARAM-CLAYTON LIMITED
(Formerly known as Sundaram-Clayton DCD Limited)
Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006
Tel : 044-2833 2115, Website : www.sundaram-clayton.com Email : corpsec@sundaramclayton.com CIN : L51100TN2017PLC118316

Additional disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Non-Convertible Debentures of SUNDARAM-CLAYTON LIMITED being listed, below are the details on a standalone basis as per listing regulations :

Particulars	Quarter Ended 30.06.2024	Quarter Ended 31.03.2024	Period Ended 31.03.2024
	(Unaudited)		(Audited)
Net Debt to Equity : (no. of times) [Refer note (i)]	1.40	1.22	1.22
Debt service coverage ratio (no. of times) [Refer note (ii)]	2.35	2.00	2.07
Interest service coverage ratio (no. of times) [Refer note (iii)]	4.38	5.22	5.91
Outstanding Debt	1,144.02	975.78	975.78
Outstanding redeemable preference shares (Qty) - Nos	8,73,032	8,73,032	8,73,032
Outstanding redeemable preference shares (Value)	0.87	0.87	0.87
Capital Redemption Reserve	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Debenture Redemption Reserve	NOT APPLICABLE	NOT APPLICABLE	NOT APPLICABLE
Securities Premium - Rs. In Crores	-	-	-
Net Worth - Rs. In Crores (Refer note (iv))	813.49	797.61	797.61
Net profit after tax - Rs. In Crores	17.13	20.73	64.52
Earnings per share - Rs Per share (Basic & Diluted - Not annualised)	8.47	10.25	31.89
Current ratio [Refer note (v)]	0.68	0.76	0.76
Long term debt to working capital - in times [Refer note (vi)]	-	-	-
Bad debts to Accounts receivable ratio [Refer note (vii)]	-	-	-
Current liability ratio [Refer note (viii)]	0.66	0.64	0.64
Total debts to Total assets ratio [Refer note (ix)]	0.43	0.41	0.41
Debtors Turnover - in times [Refer note (x)]	5.93	6.58	6.61
Inventory Turnover - in times [Refer note (xi)]	3.57	3.39	3.24
Operating Margin in % [Refer note (xii)]	10.31	11.45	11.26
Net Profit Margin in % [Refer note (xiii)]	3.12	3.98	4.93
Credit rating issued by CRISIL for NCD	AA-/ Stable		
Previous due dates for payment of interest / principal	17.08.2023		
Next due date for payment of interest for NCD	16.08.2024		

Notes:

(i) Net Debt to Equity : [(Total borrowings - Cash and cash equivalents) / Equity (including profit from exceptional item)]

(ii) Debt service coverage ratio : (Earnings before Tax , Exceptional item, Depreciation and Interest on non current borrowings) / (Interest on non current borrowings + Principal repayment of Long term borrowings made during the period excluding prepayments)

(iii) Interest service coverage ratio : (Earnings before Tax , Exceptional item , Depreciation and Interest) / (Interest)

(iv) Networth - Rs. In Crores - Networth as per Section 2(57) of the Companies Act, 2013. (Including profit from exceptional item)

(v) Current ratio - [Current Assets / Current Liabilities]

(vi) Long term debt to working capital - [Non Current borrowings/(Current Asset - Current Liabilities including current maturity of Long term borrowing)]

(vii) Bad debts to Accounts receivable ratio - [Bad debts written off / Trade Receivables]

(viii) Current liability ratio - [Current Liability / Total Liability]

(ix) Total debts to Total assets - [(Non current borrowing including current maturity + Current borrowing) / Total Assets]

(x) Debtors Turnover - [Annualised Turnover / Average Debtors]

(xi) Inventory Turnover - [Annualised Cost of goods sold / Average Inventory]

(xii) Operating Margin - [Operating EBITDA / Turnover]

(xiii) Net Profit Margin - [Net profit before exceptional items / Turnover]

(xiv) The Company has maintained asset cover sufficient to discharge the principal amount at all times for the unsecured non-convertible debt securities issued.

FOR SUNDARAM-CLAYTON LIMITED

RAGHAVAN CHAUDHURI & NARAYANAN Chartered Accountants

SUNDARAM-CLAYTON LIMITED CHENNAI

Date : 9th August 2024

R Gopalan
Chairman

RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone : 2556 7578 /
2551 4771 / 4140 4830

Independent Auditor's Limited Review Report on the Unaudited Consolidated Financial Results of the Company for the Quarter Ended 30th June, 2024 pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

To
The Board of Directors,
Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited)
Chaitanya, 12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai 600 006.

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **Sundaram-Clayton Limited** (formerly known as Sundaram-Clayton DCD Limited) (the 'Parent Company'), its subsidiaries (the Parent Company and its subsidiaries together referred to as "the Group"), and its share of the net profit after tax and total comprehensive income of its associates for the quarter ended 30th June, 2024 (the 'Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("Listing Regulations").

2. This statement which is the responsibility of the Parent Company's Management and approved by the Board of Directors of the parent company at their meeting held on 9th August, 2024 has been compiled on the basis of the related Interim Consolidated Financial Statements prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India (ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel responsible for financial and accounting matters, and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

   We have also performed procedure in accordance with the circular issued by the SEBI under regulation 33 (8) of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, as amended, to the extent applicable.

RAGHAVAN CHAUDHURI & NARAYANAN ★ Chartered Accountants

#48, "ISHITA", 2nd & 3rd Floor, 2nd Main Road, Vyalikaval, Bengaluru - 560 003.
Tel/Fax : 2336 1121 / 2336 1030 / 2336 1120

Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone : 2556 7578 /
2551 4771 / 4140 4830

4. The unaudited consolidated financial results include the interim financial information / financial results of Seven subsidiaries which have not been reviewed by their auditors and are based solely on management certified accounts, whose interim financial information/financial results reflect total revenues of Rs. 62.01 crores, total losses after tax of Rs. 72.53 crores and total comprehensive loss of Rs. 72.53 crores for the quarter ended 30th June, 2024 as considered in the unaudited consolidated financial results. The unaudited consolidated financial results also reflect the Group's share of Net Profit amounting to Rs. 0.09 crores and total comprehensive income of Rs. 0.09 crores for the quarter ended 30th June, 2024 as considered in the unaudited consolidated financial results from One associate whose interim financial information were not reviewed by their respective auditors and are based solely on their management certified accounts.

   Our conclusion on the statement is not modified in respect of the above matter.

5. Seven subsidiaries are located outside India whose financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Parent Company's Management has converted this financial information to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India from accounting principles generally accepted in their countries. We have reviewed these conversion adjustments made by the Company's Management. Our conclusion in so far as it relates to such subsidiaries, is based on the aforesaid conversion adjustments prepared by the Company's Management and reviewed by us.

   Our conclusion on the statement is not modified in respect of the above matter.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Consolidated Financial Results, which includes the result of the subsidiaries, as given in the Annexure to this report, prepared in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

   Our conclusion on the statement is not modified in respect of the above matter.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm Regn. No. 007761S

RAGHAVAN CHAUDHURI & NARAYANAN Chartered Accountants

V Sathyanarayanan
Partner
Membership No. 027716
Place: Bengaluru
Date: 09th August, 2024
UDIN: 24027716BKCNPN7354

RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants

*Second Floor, Casa Capitol,
Wood Street, Ashoknagar,
Bangalore - 560 025.
Phone : 2556 7578 /
2551 4771 / 4140 4830*

Annexure to Limited Review report

List of Subsidiaries

1 Sundaram Holding USA Inc, Delaware, USA (Wholly owned subsidiary)
2 Sundaram – Clayton (USA) Limited, USA (Wholly owned subsidiary)
3 Sundaram – Clayton GmbH, Germany (Wholly owned subsidiary)

1 **Subsidiaries of Sundaram Holding USA Inc**

- I Green Hills Land Holding LLC, South Carolina, USA
- II Component Equipment Leasing LLC, South Carolina, USA
- III Sundaram – Clayton (USA) LLC, South Carolina, USA
- IV Premier Land Holding LLC, South Carolina, USA

List of Associates

1 Sundram Non-Conventional Energy Systems Limited, Chennai

RAGHAVAN CHAUDHURI & NARAYANAN
Chartered Accountants

*#48, "ISHITA", 2nd & 3rd Floor, 2nd Main Road, Vyalikaval, Bengaluru - 560 003.
Tel/Fax : 2336 1121 / 2336 1030 / 2336 1120*

SUNDARAM-CLAYTON LIMITED
(Formerly known as Sundaram-Clayton DCD Limited)
Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006
Tel : 044-2833 2115, Website : www.sundaram-clayton.com Email : corpsec@sundaramclayton.com CIN : L51100TN2017PLC118316

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2024

(Rs. in Crores)

S.No.	Particulars	Quarter Ended 30.06.2024	Quarter Ended 31.03.2024	Period Ended 31.03.2024
		(Unaudited)	(Unaudited)	(Audited)
1	**Income**			
	a) Revenue from operations	580.43	554.80	1,415.31
	b) Other income	4.52	7.69	33.88
	Total Income	**584.95**	**562.49**	**1,449.19**
2	**Expenditure**			
	a) Cost of materials consumed	326.12	321.51	763.95
	b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(14.57)	(29.73)	(7.51)
	c) Employee benefit expenses	99.89	93.07	222.86
	d) Finance Costs	26.19	22.20	57.47
	e) Depreciation and amortisation expense	38.11	39.11	103.24
	f) Other expenses	159.23	154.76	405.17
	Total Expenditure	**634.97**	**600.92**	**1,545.18**
3	**Profit/ (loss) from ordinary activities before Share of Profit/(Loss) of associates and Exceptional Items (1-2)**	**(50.02)**	**(38.43)**	**(95.99)**
4	Share of profit/(loss) of Associates	0.09	0.03	0.22
5	**Profit/(loss) from ordinary activities before Exceptional Items (3+4)**	**(49.93)**	**(38.40)**	**(95.77)**
6	Exceptional Items - Gain / (Loss)	-	(0.37)	(1.60)
7	**Profit/(loss) from Ordinary Activities before tax (5+6)**	**(49.93)**	**(38.77)**	**(97.37)**
8	Tax expense			
	a) Current tax	4.87	12.45	27.04
	b) Deferred Tax	1.05	(3.88)	(4.28)
	Total tax expense	5.92	8.57	22.76
9	**Profit/(loss) for the Period (7-8)**	**(55.85)**	**(47.34)**	**(120.13)**
10	**Other Comprehensive Income (net of tax)**			
	a) Items that will not be reclassified to profit or loss	(1.25)	(0.61)	(1.26)
	b) Items that will be reclassified to profit or loss	(0.27)	(0.06)	(0.34)
11	**Total Comprehensive Income / (Loss) for the period (9+10)**	**(57.37)**	**(48.01)**	**(121.73)**
12	**Net Profit attributable to**			
	a) Owners of the Company	**(55.85)**	**(47.34)**	**(120.13)**
	b) Non controlling interest	-	-	-
13	**Other Comprehensive income / (Loss) attributable to**			
	a) Owners of the Company	**(1.52)**	**(0.67)**	**(1.60)**
	b) Non controlling interest	-	-	-
14	**Total Comprehensive income / (Loss) attributable to**			
	a) Owners of the Company	**(57.37)**	**(48.01)**	**(121.73)**
	b) Non controlling interest	-	-	-
15	Paid up equity share capital (Face value of Rs. 5/- each)	10.12	10.12	10.12
16	Reserve excluding Revaluation Reserve			590.04
17	**Earnings/(Loss) Per Share (EPS) (Face value of Rs. 5/- each) (not annualised)**			
	(i) Basic (in Rs.)	(27.60)	(23.40)	(59.38)
	(ii) Diluted (in Rs.)	(27.60)	(23.40)	(59.38)

Notes:

1 The above unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 9th August 2024. These results have been subjected to limited review by the Statutory Auditors of the Company.

2 In accordance with the Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Chennai Bench by an order dated 6th March, 2023, the manufacturing business, along with its related assets and liabilities at the values appearing in the books of accounts of TVS Holdings Limited on the close of business hours as on 10th August, 2023, was demerged, transferred and vested into the Company with effect from 11th August , 2023. Hence results for the comparative period ended 31st March, 2024 starts from 11th August 2023.

3 The comparative financial information of corresponding previous period taking the demerger into effect is given below :

(Rs in Crores)

Particulars	Quarter Ended 01.04.2023 to 30.06.2023
Revenue from Operations	521.05
Profit Before Tax (After Exceptional Item)	(32.95)
Profit After Tax (After Exceptional Item)	(35.52)

4 The figures of the preceding 3 months ended 31st March 2024 are the balancing figures between the audited figures in respect of the previous financial period and the published year to date figures upto the third quarter of the financial year.

5 Figures for the previous periods have been regrouped, wherever necessary, to conform to the current period's classification.

FOR SUNDARAM-CLAYTON LIMITED

SUNDARAM-CLAYTON LIMITED CHENNAI

RAGHAVAN CHAUDHURI & NARAYANAN Chartered Accountants

R Gopalan
Chairman

Date : 9th August 2024

SUNDARAM-CLAYTON LIMITED
(Formerly known as Sundaram- Clayton DCD Limited)
Regd office: "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006
Tel : 044-2833 2115
Website : www.sundaram-clayton.com Email : corpsec@sundaramclayton.com CIN : L51100TN2017PLC118316

Annexure 1 : Security Cover Certificate As Per Regulation 54(3) of the Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 30th June,2024 **(Rs. In crores)**

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
		Exclusive Charge	Exclusive Charge	Pari- Passu Charge	Pari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate				
Particulars	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari- Passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market value for pari passu charge assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value=(K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value						Relating to Column F		
ASSETS														
Property,Plant and Equipment														
Capital Work-in- Progress														
Right of Use Assets														
Goodwill														
Intangible Assets														
Intangible Assets under Development														
Investments														
Loans								NIL						
Inventories														
Trade Receivables														
Cash and Cash Equivalents														
Bank Balances other than Cash and Cash Equivalents														
Others														
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LIABILITIES														
Debt securities to which this certificate pertains														-
Other debt sharing pari-passu charge with above debt														-
Other Debt (ECB+Sec)														-
Subordinated debt														-
Borrowings														-
Bank (TL)								NIL						-
Debt Securities (PDI)														-
Others (CP)														-
Trade payables														-
Lease Liabilities														-
Provisions (Incl NPA)														-
Others-Liabilities														-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cover on Book Value		-					-							
Cover on Market Value														
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio									

Date : 9th August 2024

CHAUDHURI & NARAYANAN Chartered Accountants RAGHAVAN

SUNDARAM-CLAYTON LIMITED CHENNAI

For Sundaram-Clayton Limited

R Gopalan
Chairman

GENERAL INFORMATION

1. Sundaram-Clayton Limited *(formerly known as Sundaram - Clayton DCD Limited)* was incorporated on August 29, 2017 as a private limited company under the Companies Act, 2013 with the name 'TVS Commodity Financial Solutions Private Limited' and a certificate of incorporation dated August 30, 2017, was issued by the Registrar of Companies, Tamil Nadu at Chennai. The name of our Company was changed to 'Sundaram - Clayton DCD Private Limited' pursuant to a special resolution passed by the shareholders of our Company on February 4, 2022, and a fresh certificate of incorporation dated February 8, 2022 was issued by the Registrar of Companies, Tamil Nadu at Chennai. Subsequently, our Company was converted from a private limited company to a public limited company and consequently renamed as 'Sundaram - Clayton DCD Limited' pursuant to a special resolution passed by the shareholders of our Company on February 10, 2022, and a fresh certificate of incorporation dated February 24, 2022 was issued by the Registrar of Companies, Tamil Nadu at Chennai. Further, the name was changed to the present name viz., Sundaram-Clayton Limited pursuant to the Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated March 6, 2023, and a fresh certificate of incorporation dated August 30, 2023 was issued by the Registrar of Companies, Tamil Nadu at Chennai. For further details regarding changes in the name and registered office of our Company, see "*Organisational Structure of our Company"* on page 231.

2. The CIN of our Company is L51100TN2017PLC118316.

3. The Equity Shares of our Company were listed on BSE and NSE on December 29, 2023.

4. Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue from BSE and NSE, each on October 3, 2024, under Regulation 28(1) of the SEBI Listing Regulations.

5. Our Registered and Corporate Office is located at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

6. The website of our Company is www.sundaram-clayton.com.

7. The authorised share capital of our Company is ₹ 15,00,00,000 comprising of 2,50,00,000 Equity Shares of face value of ₹ 5 each and 25,00,000 preference shares of face value of ₹ 10 each. As on the date of this Placement Document, the issued, subscribed and paid-up capital of our Company is ₹ 101,160,520 comprising of 20,232,104 Equity Shares of face value of ₹ 5 each.

8. The Issue was authorised and approved by the Board pursuant to the resolution dated July 3, 2024 and by our Shareholders' pursuant to the special resolution through postal ballot dated August 13, 2024.

9. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

10. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 9:30 am to 5:30 pm on any weekday (except Saturdays and public holidays) at our Registered Office as well as our Corporate Office.

11. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

12. Except as disclosed in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Significant developments after June 30, 2024 that may affect our future results of operations*", there has been no material change in the financial or trading position of our Company since June 30, 2024, the last date of the Unaudited Consolidated Financial Results prepared in accordance with applicable accounting standards included in this Placement Document.

13. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or

arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Legal Proceedings*" on page 276.

14. Our Company is in compliance with the minimum public shareholding requirements as required under the SEBI Listing Regulations and Rule 19A of the SCRR.

15. The Floor Price is ₹ 2,320.78 per Equity Share, calculated in accordance with the provisions of Chapter VI of the SEBI ICDR Regulations. Further, our Company has offered a discount of ₹ 115.78 per Equity Share, i.e., 4.99% on the Floor Price in accordance with the approval of the Shareholders accorded by way of a special resolution dated August 13, 2024 and in accordance with Regulation 176(1) of the SEBI ICDR Regulations.

16. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including websites of our Company and our Subsidiaries, would be doing so at their own risk.

17. Dev Kishan P D is the Company Secretary and Compliance Officer of our Company. His details are as follows:

    Dev Kishan P D
    "Chaitanya", No. 12, Khader Nawaz Khan Road,
    Nungambakkam,
    Chennai –600 006,
    Tamil Nadu, India
    Tel.: 044 2833 2115
    Email: corpsec@sundaramclayton.com

DETAILS OF PROPOSED ALLOTTEES

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made at the sole and absolute discretion of our Company, in consultation with the BRLMs, to Eligible QIBs. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below.

S. No.	Name of the proposed Allottees	Percentage of the post-Issue share capital held (%)[1]
1.	ICICI Prudential Flexicap Fund	2.06
2.	Tata Mutual Fund - Tata Small Cap Fund	1.95
3.	SBI Automotive Opportunities Fund	0.93
4.	Bandhan Business Cycle Fund	0.72
5.	Alchemy Emerging Leaders of Tomorrow	0.66
6.	3P India Equity Fund 1	0.41
7.	Bandhan Infrastructure Fund	0.31
8.	Verition Multi-Strategy Master Fund Ltd.	0.31
9.	Baroda BNP Paribas Value Fund	0.27
10.	Baroda BNP Paribas Small Cap Fund	0.27
11.	Alchemy Emerging Leaders of Tomorrow - Series 2	0.16
12.	Baroda BNP Paribas Manufacturing Fund	0.13
13.	Baroda BNP Paribas Business Cycle Fund	0.05

[1] *Based on beneficiary position as on September 27, 2024 (adjusted for Equity Shares Allocated in the Issue).*

DECLARATION

The Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. The Company further certifies that all the statements in this Placement Document are true and correct.

For and on behalf of the Board of Directors:

Signed by:

____

Authorised Signatory

Name: Vivek Shripad Joshi
Designation: Director and Chief Executive Officer

Date: October 8, 2024
Place: Chennai

DECLARATION

We, the Board of Directors of the Company, certify that:

i. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

ii. the compliance with the Companies Act, 2013 and the rules made thereunder does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

iii. the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors:

Signed by:

____

Authorised Signatory

Name: Vivek Shripad Joshi
Designation: Director and Chief Executive Officer

Date: October 8, 2024
Place: Chennai

I am authorized by the Qualified Institutional Placement Committee *vide* resolution dated October 8, 2024, to sign this form and declare that all the requirements of the Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

____

Authorised Signatory

Name: Vivek Shripad Joshi
Designation: Director and Chief Executive Officer

Date: October 8, 2024
Place: Chennai

SUNDARAM-CLAYTON LIMITED
(formerly known as Sundaram - Clayton DCD Limited)
CIN: L51100TN2017PLC118316
Registered and Corporate Office:
"Chaitanya", No. 12
Khader Nawaz Khan Road
Nungambakkam Chennai – 600 006
Tamil Nadu, India
Telephone: 044 2833 2115
E-mail: corpsec@sundaramclayton.com
Website: www.sundaram-clayton.com

CONTACT PERSON

Mr. Dev Kishan P D
Chaitanya, No. 12, Khader Nawaz Khan Road,
Nungambakkam,
Chennai – 600 006,
Tamil Nadu, India.
Tel.: 044 2833 2115
Email: corpsec@sundaramclayton.com

BOOK RUNNING LEAD MANAGERS

Ambit Private Limited
Ambit House, 449, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013,
Maharashtra, India

JM Financial Limited
7th Floor, Cnergy, Appasaheb Marathe Marg,
Prabhadevi, Mumbai 400 025 Maharashtra,
India

STATUTORY AUDITORS OF OUR COMPANY

M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants
Second Floor, Casa Capitol,
Wood street, Ashok Nagar, Bengaluru. 560 025

LEGAL COUNSEL TO OUR COMPANY AS TO THE INDIAN LAW

Khaitan & Co
10th & 13th Floors, Tower 1C
One World Centre 841, Senapati Bapat Marg
Mumbai – 400 013, Maharashtra, India

LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS

As to Indian law

J. Sagar Associates
One Lodha Place, 27th Floor,
Senapati Bapat Marg, Lower Parel,
Mumbai 400 013, Maharashtra, India

As to International law

Hogan Lovells Lee & Lee
50 Collyer Quay
#10-01 OUE Bayfront
Singapore 049321

SAMPLE APPLICATION FORM

An indicative form of the Application Form is set forth below:

SUNDARAM-CLAYTON LIMITED	APPLICATION FORM
*Sundaram-Clayton Limited (formerly known as Sundaram-Clayton DCD Limited) ("**Company**" or "**Issuer**") was incorporated on August 29, 2017 as a private limited company under the Companies Act, 2013 with the name 'TVS Commodity Financial Solutions Private Limited' and a certificate of incorporation dated August 30, 2017, was issued by the Registrar of Companies, Central Registration Centre. The name of our Company was changed to 'Sundaram-Clayton DCD Private Limited' pursuant to a special resolution passed by the shareholders of our Company on February 4, 2022, and a fresh certificate of incorporation dated February 8, 2022, was issued by the Registrar of Companies, Tamil Nadu at Chennai. Subsequently, our Company was converted from a private limited company to a public limited company and consequently renamed as 'Sundaram-Clayton DCD Limited' pursuant to a special resolution passed by the shareholders of our Company on February 10, 2022, and a fresh certificate of incorporation dated February 24, 2022, was issued by the Registrar of Companies, Tamil Nadu at Chennai. Further, the name was changed to the present name viz., Sundaram-Clayton Limited pursuant to the Composite Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Chennai Bench vide its order dated March 6, 2023, and a fresh certificate of incorporation dated August 30, 2023, was issued by the Registrar of Companies, Tamil Nadu at Chennai.* **Registered and Corporate Office**: "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India. **Telephone**: 044-2833 2115 | **Email**: corpsec@sundaramclayton.com **Website**: www.sundaram-clayton.com | **CIN:** L51100TN2017PLC118316	Name of Bidder: ____ Form No: ____ Date: ____________________________

QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 5 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] CRORES UNDER CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER BY SUNDARAM-CLAYTON LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 2,320.78 AND OUR COMPANY MAY OFFER A DISCOUNT OF UP TO 5% ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS.

Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; or (b) which are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or the securities laws of any state of the United States, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the distribution, solicitation and transfer restrictions contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 255 and 263, respectively, in the accompanying preliminary placement document dated October 3, 2024 (the "PPD").

ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019, ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH PORTFOLIO INVESTMENT SCHEME AND SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUC H COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBS SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE II OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Financial Institutions	**AIF**	Alternative Investment Fund*
MF	Mutual Funds	**IF**	Insurance Funds
FPI	Foreign Portfolio Investors**	**NIF**	National Investment Fund
VCF	Venture Capital Funds	**SI-NBFC**	Systemically Important Non-Banking Financial Companies
IC	Insurance Companies	**OTH**	Others __________________ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.

** Sponsor and Manager should be Indian owned and controlled.*

***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

To,

The Board of Directors
SUNDARAM-CLAYTON LIMITED
"Chaitanya", No.12, Khader Nawaz Khan Road,

Nungambakkam, Chennai – 600 006,
Tamil Nadu, India

Dear Sirs,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the PPD and this Application Form. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; and (b) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the Promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with Promoters or persons related to Promoters of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**"). We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We note that the Company is entitled, in consultation with Ambit Private Limited, and JM Financial Limited (the "**BRLMs**"), in its sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the CAN, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We acknowledge and agree that (i) our names, addresses, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Mumbai (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of BSE Limited and the National Stock Exchange of India Limited (the "**Stock Exchanges**") and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the Reserve Bank of India ("RBI") and other applicable laws.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections entitled *"Notice to Investors"*, *"Representations by Investors"*, *"Issue Procedure"*, *"Selling Restrictions"* and "*Purchaser Representations and Transfer Restrictions*" of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section entitled "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, the confirmation of allocation note ("**CAN**"), when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchange; (6) Equity Shares shall be Allocated and Allotted at the discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs; and (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent that we are located outside the United States (as defined under Regulation S) and are purchasing Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.** We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

BIDDER DETAILS (in Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
TELEPHONE NO.		**FAX. NO.**	
EMAIL ID			
LEI			
FOR ELIGIBLE FPIs**	**SEBI FPI Registration Number:**	**For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs/IFs**	**SEBI AIF / MF/ VCF Registration Number / RBI Registrations details for SI-NBFCs / IRDAI Registration details for ICs**

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Company and the BRLMs.*

***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*

****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER BY 1.00 P.M. (IST), [●], 2024	
Name of the Account	Sundaram - Clayton Limited - QIP Escrow A/c
Name of the Bank	HDFC Bank Limited
Address of the Branch of the Bank	ITC Centre, Anna Salai, Chennai - 600002
-Account Type	Escrow A/c
Account Number	57500001592441
LEI Number	335800TG6JABCCIJEE44
IFSC	HDFC0000004
Tel No.	044-2833 2115
E-mail	siddharth.jadhav@hdfcbank.com/ sachin.gawade@hdfcbank.com/ eric.bacha@hdfcbank.com/ tushar.gavankar@hdfcbank.com/ pravin.teli2@hdfcbank.com

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "SUNDARAM – CLAYTON LTD – QIP ESCROW A/C". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

DEPOSITORY ACCOUNT DETAILS									
Depository Name(Please ✓)	National Security Depository Limited								Central Depository Services (India) Limited
Depository Participant Name									
DP – ID	I	N							
Beneficiary Account Number									(16 digit beneficiary account. No. to be mentioned above)
The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.**									

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	
NO. OF EQUITY SHARES BID		**PRICE PER EQUITY SHARE (RUPEES)**	
(In figures)	(In words)	(In figures)	(In words)
BID AMOUNT (RUPEES)			
(In figures)		(In words)	

DETAILS OF CONTACT PERSON			
NAME			
ADDRESS			
TEL. NO.		**FAX NO.**	
EMAIL			

OTHER DETAILS	
PAN*	

ENCLOSURES ATTACHED
Attested/ certified true copy of the following:

Date of Application		☐ Copy of PAN Card or PAN allotment letter ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank ☐ Copy of notification as a public financial institution ☐ FIR ☐ Copy of IRDAI registration certificate ☐ Intimation of being part of the same group ☐ Certified true copy of Power of Attorney ☐ Other, please specify
Signature of Authorised Signatory (may be signed either physically or digitally)**		

* *It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

** *A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

Note:

(1) Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.

(2) The Application Form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.

(3) This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.

(4) The duly filed Application Form along with all enclosures shall be submitted to the BRLMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in PPD.

(5) The Application Form and the PPD sent to you and the Placement Document which will be sent to you in electronic form, are specific to you and you may not distribute or forward the same and are subject to the disclaimers and restrictions contained or accompanying these documents