



**SUNDARAM-CLAYTON LIMITED**  
(formerly known as Sundaram - Clayton DCD Limited)

Sundaram-Clayton Limited (formerly known as Sundaram - Clayton DCD Limited) (“Company” or “Resulting Company”) was incorporated 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 29, 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, please see “History and Certain Corporate Matters” on page 67 of this Information Memorandum.

**Corporate Identification Number:** U51100TN2017PLC118316

**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; **Website:** www.sundaram-clayton.com ; **Email:** corpsec@sundaramclayton.com

**Contact Person:** Mr. P D Dev Kishan, Company Secretary & Compliance Officer

**PROMOTERS OF OUR COMPANY:** VS Trust (Mr. Venu Srinivasan, Trustee), Mr. Venu Srinivasan and T.V. Sundram Iyengar & Sons Private Limited

**INFORMATION MEMORANDUM FOR LISTING OF 2,02,32,104 EQUITY SHARES OF ₹5 EACH ISSUED BY OUR COMPANY PURSUANT TO THE COMPOSITE SCHEME OF ARRANGEMENT**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM**

**GENERAL RISKS**

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Equity Shares. For taking an investment decision, investors must rely on their own examination of our Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Information Memorandum. Specific attention of the investors is invited to “Risk Factors” on page 27.


**OUR COMPANY’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to our Company, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

**LISTING**

The Equity Shares are proposed to be listed on the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”), (hereinafter collectively, referred to as the “Stock Exchanges”). Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated November 22, 2023 and November 02, 2023, respectively. For the purposes of listing of our Equity Shares pursuant to the Composite Scheme of Arrangement, NSE is the Designated Stock Exchange. Our Company will submit this Information Memorandum to BSE and NSE and this Information Memorandum shall be made available on our Company’s website at [www.sundaram-clayton.com](http://www.sundaram-clayton.com). The Information Memorandum is available on the respective website of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Further, our Company has been granted an exemption from the application of Rule 19(2)(b) of the SCRR by the SEBI vide the letter no. SEBI/HO/CFD/RAC/DCR-2/P/OW/50508/2023 dated December 11, 2023.

**REGISTRAR AND SHARE TRANSFER AGENT**

 <p><b>Integrated</b> since 1974 Investments Simplified</p>	<p><b>Integrated Registry Management Services Private Limited</b> 2<sup>nd</sup> Floor, “Kences Towers”, No. 1, Ramakrishna Street, North Usman Road, T Nagar, Chennai – 600 017 Tamil Nadu, India Tel: 044-28140801-03 Email: srirams@integratedindia.in Website: www.integratedindia.in Investor grievance email: srirams@integratedindia.in Contact Person: S Sriram, Assistant Vice President SEBI Registration No: INR000000544</p>
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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein, and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time.*

#### Company and Scheme Related Terms

Term	Description
“Resulting Company”	Sundaram-Clayton Limited ( <i>formerly known as Sundaram - Clayton DCD Limited</i> ) 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
“We” or “us” or “our” or “our Company”	Unless the context otherwise indicates or implies our Company together with our Subsidiaries, and associate on a consolidated basis, as applicable on the respective dates
“Demerged Company”	TVS Holdings Limited ( <i>formerly known as Sundaram - Clayton Limited</i> )
AoA/ Articles of Association/ Articles	The articles of association of our Company, as amended, from time to time
Audit Committee	The audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “ <i>Our Management – Corporate Governance – Committees of the Board of our Company – I. Audit Committee</i> ” on page 81
Board/ Board of Directors	The board of directors of our Company
Central Government/ Government/ Government of India/ GoI	The Government of India
Chief Executive Officer	Chief Executive Officer of our Company, being Mr. Vivek Shripad Joshi. For details, see “ <i>Our Management</i> ” on page 81
Chief Financial Officer	Chief Financial Officer of our Company, being Mr. Ajay Kumar. For details, see “ <i>Our Management</i> ” on page 81
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder
Company Secretary and Compliance Officer	Company Secretary and Compliance Officer of our Company appointed in terms of Regulation 6(1) of the SEBI Listing Regulations, being Mr. P D Dev Kishan
Composite Scheme of Arrangement / Scheme	Composite Scheme of Arrangement amongst TVS Holdings Limited ( <i>formerly known as Sundaram - Clayton Limited</i> ), erstwhile TVS Holdings Private Limited, erstwhile VS Investments Private Limited and their respective shareholders and creditors and our Company and its shareholders and creditors under sections 230 to 232 and other applicable provisions of the Companies Act, 2013 as sanctioned by the NCLT on March 6, 2023
Corporate Office	The corporate office of our Company situated at “Chaitanya”, No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India
Corporate Promoter	T.V. Sundram Iyengar & Sons Private Limited
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in “ <i>Our Management – Corporate Governance – Committees of the Board of our Company – IV. Corporate Social Responsibility Committee</i> ” on page 81
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a ‘Pandemic’ on March 11, 2020
CRISIL	CRISIL Market Intelligence and Analytics, a division of CRISIL Limited
CRISIL Report	Report titled “ <i>Automotive Casting</i> ” dated September 19, 2023 prepared by CRISIL.
Demerged Undertaking	The entire Manufacturing Business of the Demerged Company, as on Appointed Date 4, and shall include (without limitation): <ul style="list-style-type: none"> <li>1. All assets and properties, including all movable or immovable, freehold, leasehold or licensed, tenancy rights, hire purchase and lease arrangements, real or personal, corporeal or incorporeal or otherwise,</li> </ul>

Term	Description
	<p>present, future, contingent, tangible or intangible, and associated capital costs, security deposits, capital work in progress, easmentary rights, rights of way, plant and machinery, furniture, fixtures, office equipment, appliances, accessories, vehicles, investments (in associates, joint ventures, subsidiaries, etc) including investments in Sundaram Holding USA Inc, all stocks, sundry debtors, deposits, provisions, advances, recoverables, receivables, accumulated losses as well as unabsorbed depreciation as per books as well as per Income Tax Act, title, interest, cash and bank balances, bills of exchange, covenants, all earnest monies, security deposits, or other entitlements, funds of the Demerged Company pertaining to the Manufacturing Business, all import quotas and other quota rights, right to use and avail of telephones, telex, facsimile, email, internet, leased lines and other communication facilities, connections, installations and equipment, utilities, electricity and electronic and all other services of every kind, nature and description whatsoever and all the rights, title, interests, goodwill, benefits, fiscal incentives, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company pertaining to the Manufacturing Business;</p> <ol style="list-style-type: none"> <li>2. All debts (including debentures), cash flow hedge reserves, liabilities, whether fixed or contingent, matured or unmatured, including indebtedness, employee related, pension, tax and environmental liabilities, of the Demerged Company pertaining to the Manufacturing Business;</li> <li>3. All contracts, agreements, schemes, arrangements and any other instruments for the purpose of carrying of the Demerged Company pertaining to the Manufacturing Business;</li> <li>4. All refunds, reimbursements, claims, concessions, exemptions, benefits including sales tax deferrals, income tax deducted/ collected at source, goods and service tax credit, minimum alternate tax credit, deductions and benefits under the relevant Law or any other taxation statute with pertaining to the Manufacturing Business;</li> <li>5. All Permits, licences, approvals, registrations, quotas, incentives, powers, authorities, allotments, consents, rights, benefits, advantages, municipal permissions, pertaining to the Manufacturing Business;</li> <li>6. Entire experience, credentials, past record and market share of the Demerged Company pertaining to the Manufacturing Business;</li> <li>7. all intellectual property and intellectual property rights (including any applications for the same) of any nature whatsoever, including patents, copyrights, designs, goodwill which includes the positive reputation, all books, records, files, papers, engineering and process information, computer programs, software licenses (whether proprietary or otherwise), drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records whether in physical or electronic form in connection with or pertaining to Manufacturing Business;</li> <li>8. Trademarks, service names, service marks, used exclusively in relation to the Manufacturing Business; and</li> <li>9. All employees (including Joint Managing Director) and contract workers employed exclusively in the conduct of the Manufacturing Business.</li> </ol> <p>It is clarified that the question of whether a specified asset, liability or employee pertains to the Demerged Undertaking or arises out of the activities or operations of Demerged Undertaking shall be decided by the Board of the Demerged Company.</p>

<b>Term</b>	<b>Description</b>
Depository(ies)	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Designated Stock Exchange	National Stock Exchange of India Limited
Direct Subsidiaries	The subsidiaries of our Company being the following: <ol style="list-style-type: none"> <li>1. Sundaram Holding USA Inc;</li> <li>2. Sundaram-Clayton (USA) Limited; and</li> <li>3. Sundaram-Clayton GmbH.</li> </ol>
Director(s)	The director(s) on our Board
Draft Information Memorandum	The draft information memorandum dated October 4, 2023 of our Company for listing of Equity Shares allotted pursuant to the Composite Scheme of Arrangement filed with the Stock Exchanges in accordance with the applicable laws
Effective Date 1	March 14, 2023
Effective Date 2	June 16, 2023
Effective Date 3	August 4, 2023
Effective Date 4	August 11, 2023
Equity Shares	Fully paid-up equity share(s) of our Company having a face value of ₹5 each allotted by our Company as consideration in terms of clause 25 of the Composite Scheme of Arrangement
Equity Shareholders	Shareholders holding Equity Shares of our Company, from time to time
Financial Year/ Fiscal/ Fiscal Year/ FY	Period of 12 months ended March 31 of that particular year
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Group Company(ies)	In terms of SEBI ICDR Regulations, the term “group companies” includes the companies (other than our Corporate Promoter and our Subsidiaries) with which our Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards. For further details, please see “ <i>Group Companies</i> ” on page 108
Income Tax Act	Income-tax Act, 1961 and amendments thereto
Independent Director(s)	The independent directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations
Indirect Subsidiaries	The subsidiaries of Sundaram Holding USA Inc being: <ol style="list-style-type: none"> <li>1. Green Hills Land Holding LLC;</li> <li>2. Components Equipment Leasing LLC;</li> <li>3. Sundaram-Clayton (USA) LLC; and</li> <li>4. Premier Land Holding LLC.</li> </ol>
Individual Promoter	Mr. Venu Srinivasan
Information Memorandum	This information memorandum dated December 22, 2023 of our Company for listing of Equity Shares allotted pursuant to the Composite Scheme of Arrangement filed with the Stock Exchanges in accordance with the applicable laws
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 81
Manufacturing Business	The entire business of manufacturing non-ferrous gravity and pressure die castings of the Demerged Company
Materiality Policy	The criteria defined by our Board on August 11, 2023 to the requirements under the SEBI ICDR Regulations and the SEBI Listing Regulations for the purpose of the disclosure in this Information Memorandum
Memorandum of Association / MoA	The memorandum of association of our Company, as amended, from time to time
“NCLT” or “Tribunal”	The National Company Law Tribunal, Chennai Bench
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in “ <i>Our Management – Corporate Governance – Committees of the Board of our Company – II. Nomination and Remuneration Committee</i> ” on page 81
Preference Share(s)	0.1% cumulative non-convertible redeemable preference shares of face value of ₹10 each allotted by our Company as consideration in terms of clause 25 of the Composite Scheme of Arrangement
Preference Shareholders	Holders of Preference Shares of our Company, from time to time

<b>Term</b>	<b>Description</b>
Promoters	The promoters of our Company, being VS Trust (Mr. Venu Srinivasan, Trustee), Mr. Venu Srinivasan, and T.V. Sundram Iyengar & Sons Private Limited. For further details, please see “ <i>Our Promoters and Promoter Group – Promoters</i> ” on page 104
Promoter Group	Persons and entities constituting the promoter group of our Company, as disclosed in “ <i>Our Promoters and Promoter Group – Promoter Group</i> ” on page 104
Record Date 1	March 24, 2023
Record Date 2	August 24, 2023
Registered Office	The registered office of our Company, situated at “Chaitanya”, No. 12, Khader Nawaz Khan road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India
Registrar and Share Transfer Agent	Integrated Registry Management Services Private Limited
Registrar of Companies	The Registrar of Companies, Tamil Nadu at Chennai
Restated Consolidated Financial Information	Our restated consolidated statement of assets and liabilities as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, restated consolidated statement of profits and losses (including other comprehensive income), restated consolidated statement of cash flows and consolidated changes in equity for quarter ended June 30, 2023 and each of the years ended March 31, 2023, March 31, 2022 and March 31, 2021 of our Company and its Subsidiaries (collectively, the “ <b>Group</b> ”) together with the consolidated statement of significant accounting policies and other explanatory information, prepared in accordance with the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)”, as amended issued by ICAI.
Risk Management Committee	The risk management committee of our Company, constituted in accordance with Regulation 21 of the SEBI Listing Regulations, as described in “ <i>Our Management – Corporate Governance – Committees of the Board of our Company – V. Risk Management Committee</i> ” on page 81
Scheme Implementation Committee	The scheme implementation committee of our Company, as described in “ <i>Our Management – Corporate Governance – Committees of the Board of our Company – VI. Scheme Implementation Committee</i> ” on page 81
SEBI Circular	SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time
SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
Senior Management	Senior management of our Company as further described in “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 81
Shareholders	Equity Shareholders and Preference Shareholders
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page 81
Statutory Auditors	M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants
Stock Exchange(s)	BSE Limited and National Stock Exchange of India Limited
Subsidiaries	The Direct Subsidiaries and Indirect Subsidiaries
Trustee	The trustee of the respective trust, as interpreted under Section 3 of the Indian Trusts Act, 1882, amended from time to time
Wilful defaulter or a Fraudulent Borrower	A person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India, in accordance with regulation 2(1)(III) of the SEBI ICDR Regulations

### Conventional and General Terms and Abbreviations and Industry Related Terms

<b>Term</b>	<b>Description</b>
₹ / Rs. / Rupee(s)/ INR/ Re	Indian Rupees, the official currency of the Republic of India
€ / EUR / Euro(s)	Euros, the legal currency of 20 of 27 member states of European Union
US\$ / USD / \$ / U.S. Dollars	US Dollars, the legal currency of the United States of America

<b>Term</b>	<b>Description</b>
Asset Turnover	Total revenue divided by average assets
BSE	BSE Limited
CAGR	Compounded annual growth rate
Capital or Share Capital	Share capital of our Company
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
Debt to Equity Ratio	Total borrowings (excluding Preference Shares) reduced by cash and cash equivalents (excluding term deposits) divided by total equity
Demat	Dematerialized
DIN	Director identification number
DRs	Depository receipts
EBITDA	Earnings before interest, tax, depreciation, amortization, other income and other exceptional items
EBITDA Margin	EBITDA divided by total income
ECS	Electronic clearance service
EGM	Extra-ordinary general meeting
EPS	Earnings per share
ESG	Environment, social and governance
EV	Electric vehicle
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
GmbH	German abbreviation for “Gesellschaft mit beschränkter Haftung”, which means, a company with limited liability
GST	Goods and services tax
HUF	Hindu undivided family
ICAI	Institute of Chartered Accountants of India
ICE	Internal combustion engine
IIM	Indian Institute of Management
Inc	Incorporated
Ind AS	Indian Accounting Standards as notified under Section 133 of the Companies Act, 2013
IPC	Indian Penal Code, 1860, as amended from time to time
ISIN	International securities identification number allotted by the depository
ISO	International Organization for Standardization
LLC	Limited Liability Company
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs, GoI
NABARD	National Bank For Agriculture And Rural Development
No.	Number
Non-GAAP	Not covered under generally accepted accounting principles
NRI(s)	Non-Resident Indian(s)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OEM	Original equipment manufacturer
OHSAS	Occupational Health & Safety Assessment Series
PAN	Permanent account number
PAT	Profit after tax
PAT Margin	PAT divided by total income
R & D	Research and development
Return on Capital Employed	Earnings before interest, tax, depreciation, other income and exceptional items divided by average capital employed
Return on Net Worth	Net profit after tax divided by average equity
RBI	Reserve Bank of India
RTGS	Real time gross settlement
SBI	State Bank of India
SEZ	Special economic zone
SCORES	SEBI Complaints Redress System
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992

Term	Description
Stock Exchange(s)	BSE and NSE
Tier 1 customer	Aggregators of assemblies which is then used by their end-customers to assemble in an automobile.
USA	United States of America

### **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

All references in this Information Memorandum to “India” are to the Republic of India. All references to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable. Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.

#### **Financial Data**

Our Company publishes its Restated Consolidated Financial Information in Indian Rupees. Unless stated otherwise, the financial data pertaining to our Company in this Information Memorandum is derived from our Restated Consolidated Financial Information for three months ended June 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022, March 31, 2021. Our Restated Consolidated Financial Information are represented in crores. Our Restated Consolidated Financial Information, including the reports issued by the Statutory Auditors, included in this Information Memorandum, have been prepared in accordance with Ind AS and the Companies Act, 2013. Our Company’s Financial Year is a twelve month period commencing on April 1 of a calendar year and ending on March 31 of the succeeding calendar year, and all references to a particular Financial Year shall be construed accordingly. Unless the context requires otherwise, all references to a year in this Information Memorandum are to a calendar year and references to a Fiscal/Financial Year are to the year ended on March 31, of that calendar year.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 12, 51 and 215, respectively, and elsewhere in this Information Memorandum have been calculated on the basis of the Restated Consolidated Financial Information of our Company.

Certain figures contained in this Information Memorandum, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. 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 numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. 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**

In evaluating our business, we consider and use non-GAAP financial measures such as EBITDA, EBITDA Margin, PAT Margin, Asset Turnover, Debt to Equity Ratio, Return on Net Worth and Return on Capital Employed to review and assess our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. They may not be comparable to similarly titled measures reported by other companies due to potential inconsistencies in the method of calculation. We have included these non-GAAP financial measures because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in the same industry. These non-GAAP financial measures should be considered in addition to, and not as a substitute for, other measures of financial performance and liquidity reported in accordance with Ind AS. These measures should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability, or results of operations. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information.

#### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Information Memorandum have been obtained or derived from the report titled “*Automotive Casting*” dated September 19, 2023 which is exclusively prepared by



CRISIL for the purpose of listing of Equity Shares of our Company and is commissioned and paid for by our Company. CRISIL was appointed by our Company pursuant to our letter dated September 4, 2023. The “Automotive Casting” report will be available on the website of our Company at [www.sundaram-clayton.com](http://www.sundaram-clayton.com). Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. This Information Memorandum contains data and statistics from the CRISIL Report, which is subject to the following disclaimer:

*“CRISIL Market Intelligence & Analytics, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Sundaram-Clayton Limited (formerly Sundaram - Clayton DCD Limited) will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

CRISIL is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel or Senior Management.

For details on risks in relation to the CRISIL Report, see “*Risk Factors – Industry Information included in this Information Memorandum has been derived from an industry report commissioned for this Information Memorandum, from CRISIL and paid by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.*” on page 12.

Although, we believe that the industry and market data used in this Information Memorandum is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The data used in these sources may have been reclassified by our Company for the purposes of presentation. Data from these sources may also not be comparable with the data presented by other companies.

The extent to which the market and industry data presented in this Information Memorandum is meaningful depends upon the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 12. Accordingly, investment decisions should not be based solely on such information.

### **Currency and Units of Presentation**

Unless otherwise specified or the context otherwise requires, all references to:

- “*INR*”, “*₹*”, “*Indian Rupees*” and “*Rupees*” are to the legal currency of India;
- “*US\$*”, “*USD*”, “*\$*” and “*U.S. Dollars*” are to the legal currency of the United States of America; and
- “*EUR*” and “*€*” are to the legal currency of 20 of 27 member states of European Union.

In this Information Memorandum, our Company has presented certain numerical information. All figures have been expressed in crores. One crore represents ‘10 million’, ‘100 lakhs’ or 10,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

## Exchange Rates

This Information Memorandum may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the rules and regulations issued by SEBI. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The exchange rates of certain currencies used in this Information Memorandum and Restated Consolidated Financial Information into Indian Rupees for the periods indicated are provided below:

S. No.	Name of the Currency	Exchange rates as on			
		June 30, 2023 (in ₹)	March 31, 2023 (in ₹)	March 31, 2022 (in ₹)	March 31, 2021 (in ₹)
1.	1 USD	82.04	82.17	75.79	73.11
2.	1 EUR	88.98	89.44	84.22	85.75

(Source: [www.fedai.org.in](http://www.fedai.org.in))

*Note: In the event that any of the abovementioned dates of any of the respective Financial Years is a public holiday, the previous calendar day not being a public holiday has been considered.*

## FORWARD LOOKING STATEMENTS

This Information Memorandum contains certain “forward-looking statements”. Certain statements contained in this Information Memorandum that are not statements of historical fact constitute forward- looking statements. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “future”, “forecast”, “intend”, “likely to”, “may”, “objective”, “plan”, “potential”, “project”, “propose”, “pursue”, “seek to”, “shall”, “should”, “target”, “will”, “will continue”, “will pursue”, “would” or other words or phrases of similar import. Similarly, statements that describe our Company’s 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 Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Information Memorandum that are not historical facts.

These forward-looking statements contained in this Information Memorandum (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 the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. This may be due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in the industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

1. Our Company may not be successful in implementing its strategies, such as to be an end-to-end solutions provider, expanding our customer base and expanding the product portfolio, which could adversely affect our business, results of operations and future prospects;
2. Our Company does not have firm commitment purchase agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected;
3. The discontinuation of, or loss of business with respect to, or a lack of commercial success of, a particular customer program for which we are a significant supplier, could affect our business, results of operations and financial conditions;
4. Our Company is dependent on our Key Managerial Personnel, and our Senior Management, and the loss of, or our inability to attract or retain, such persons may adversely affect our business, financial condition, results of operations and cash flows;
5. Our Company and our Subsidiaries are exposed to fluctuations in prices of raw materials, buy-outs and other input materials and if our Company or any Subsidiary is unable to compensate for or pass on such costs to our customers, such increased costs could have an adverse impact on our profitability;
6. Our Company has a number of competitors, some of whom have greater financial resources than our Company which may impact our share of business and may have adverse effect on our business, results of operations and financial condition;
7. Our Company has entered into, and will continue to enter into, related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the Shareholders;
8. Our Company has significant energy requirements and any disruption to these power sources could increase our production costs and adversely affect our results of operations;
9. Our failure to compete effectively in the highly competitive aluminium die casting industry could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects. Our Company competes with global competitors to retain our existing business as well as winning new business for the new and redesigned existing vehicle platforms of our customers;
10. Our business may be adversely affected by environmental and safety regulations to which our Company is subject to and our Company requires certain approvals and licenses in the ordinary course of business,

and the failure to obtain or renew them in a timely manner may adversely affect business, prospects, financial condition and results of operations; and

11. Dependence on our suppliers and the absence of long-term supply contracts may adversely affect the availability of key inputs at reasonable prices or at all, which may in turn affect our margins and have an adverse effect on our business, results of operations and financial condition.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section “*Risk Factors*” on page 12.

Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as on the date of this Information Memorandum and are not a guarantee of future performance. These statements are based on the management’s belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoters, our Directors, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI/Stock Exchange requirements, our Company will ensure that investors are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II – INFORMATION MEMORANDUM SUMMARY

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Information Memorandum, including the sections entitled “Risk Factors”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Our Promoters and Promoter Group”, “Financial Information”, “Our Business” and “Main Provisions of the Articles of Association”. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Restated Consolidated Financial Information.

### Summary of primary business of our Company

Our Company is part of the TVS - Sundaram Clayton group and is one of the renowned automotive component manufacturing companies in India. Our automotive components business comprises a diverse product offering catering to the automotive and non-automotive segments, both in India and globally. The Company is also engaged in business of precision aluminium cast products and production of high-pressure, low-pressure and gravity die-castings for two-wheelers, passenger vehicles, LCVs and HCVs. Our manufacturing facilities have equipment for production, testing and quality assurance to produce a wide variety of aluminium castings used in the various product segments.

### Summary of industry in which our Company operates

The casting industry is expected to have grown by 18-20% in tonnage terms and 36-38% in value terms in Fiscal 2023. Demand from automobile castings comes from direct demand from automobile OEMs contributing more than three-fourths of the demand. Exports contribute nearly 20-22% of demand for automobile castings and most Indian auto casting players cater to the US and European markets supplying to commercial vehicle players. (Source: CRISIL Report)

Automobile castings can be divided into two segments namely ferrous casting and non-ferrous casting. As of Fiscal 2022, in tonnage terms, ferrous casting accounts for 65% of share of total automotive casting demand from OEMs with non-ferrous casting contributing the rest. In value terms, the share of ferrous casting drops to 37% of OEM demand. (Source: CRISIL Report)

CRISIL expects the auto-casting industry to record a 5-7% on-year growth in tonnage terms in line with the economic growth while recording a lower 4-6% growth in value. Long term demand (CAGR FY22-27) is expected to grow at a healthy rate of 7-9% in volume terms and 10-12% in value terms. (Source: CRISIL Report).

### Our Promoters

The Promoters of our Company are VS Trust, (Mr. Venu Srinivasan, Trustee), Mr. Venu Srinivasan and T.V. Sundram Iyengar & Sons Private Limited.

### Shareholding of our Promoters and members of our Promoter Group

As on the date of this Information Memorandum, the shareholding of the Promoters and the members of Promoter Group are detailed below:

S. No.	Name of person/entity forming part of the Promoter Group (M/s.)	No. of Equity Shares held	No. of Preference Shares held	Percentage of the paid-up Equity Share capital (in %)	Percentage of the paid-up Preference Share capital (in %)
<b>A. Promoters</b>					
1.	VS Trust (Mr. Venu Srinivasan, Trustee)	1,03,23,122	-	51.02	-
2.	Venu Srinivasan	23,82,847	-	11.78	-
3.	T.V. Sundram Iyengar & Sons Private Limited	-	-	-	-
<b>Total (A)</b>		<b>1,27,05,969</b>	<b>-</b>	<b>62.80</b>	<b>-</b>
<b>B. Promoter Group</b>					

S. No.	Name of person/entity forming part of the Promoter Group (M/s.)	No. of Equity Shares held	No. of Preference Shares held	Percentage of the paid-up Equity Share capital (in %)	Percentage of the paid-up Preference Share capital (in %)
1.	Sundaram Finance Holdings Limited	15,14,378	1,75,667	7.49	20.12
2.	Srinivasan Trust (VS Trustee Private Limited, Trustee)	6,20,265	19,145	3.07	2.19
3.	Dr. Lakshmi Venu	1,65,043	19,145	0.82	2.19
4.	Mallika Srinivasan	57,743	6,698	0.28	0.77
5.	Sudarshan Venu	-	-	-	-
6.	VS Trustee Private Limited	-	-	-	-
7.	VS PTC Trust (Mr. Venu Srinivasan, Trustee)	-	-	-	-
8.	VEE ESS Trading Private Limited	-	-	-	-
9.	VEE ESS Trust (Venu Srinivasan Trustee Private Limited, Trustee)	-	-	-	-
10.	Srinivasan Venu Trust (Mr. Venu Srinivasan, Trustee)	-	-	-	-
11.	Venu Srinivasan Trustee Private Limited	-	-	-	-
12.	S. Venu Trustee Private Limited	-	-	-	-
13.	Srinivasan Trading Private Limited	-	-	-	-
<b>Total (B)</b>		<b>23,57,429</b>	<b>2,20,655</b>	<b>11.65</b>	<b>25.27</b>
<b>Total</b>		<b>1,50,63,398</b>	<b>2,20,655</b>	<b>74.45</b>	<b>25.27</b>

### Financial information

The following information has been derived from the Restated Consolidated Financial Information for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the three months period ended June 30, 2023:

(in ₹ crore, except per share data)

Particulars	For the three months period ended June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Share capital	10.12	10.12	10.12	10.12
Net worth	336.30	378.47	753.17	753.86
Revenue	521.05	2,052.78	1,692.42	1,127.95
Profit after Tax	(35.52)	(107.84)	(16.59)	(47.54)
Earnings per Equity Share (basic)	(17.56)	(53.31)	(8.21)	(23.50)
Earnings per Equity Share (diluted)	(17.56)	(53.31)	(8.21)	(23.50)
Net asset value per Equity Share	364.73	382.61	419.48	373.51
Total borrowings	1,183.75	1,081.84	954.35	897.44

Notes:

- (1) Share capital represents the Equity Shares allotted pursuant to the Composite Scheme of Arrangement.
- (2) Net worth has been computed as the aggregate value of the share capital, all reserves created out of the profits, debit and credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation as on June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021.
- (3) Revenue excludes other income.
- (4) Basis and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings Per Share'.
- (5) Net asset value per Equity Share = Net worth as per the Restated Consolidated Financial Information / number of Equity Shares
- (6) Total Borrowings represents the non-current and current borrowings.

For further details, please see “*Financial Information*” on page 111.

### Auditor qualifications or adverse remarks

There have been no qualifications or adverse remarks by our Statutory Auditors in the Restated Consolidated Financial Information.

### Summary of outstanding litigation:

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Group Companies, our Directors and our Promoters as disclosed in the section titled “*Outstanding Litigation and Material Developments*” have been set out below:

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigation	Aggregate amount involved (₹ in crore)
<b>Company</b>						
By our Company	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against our Company	NIL	29	NIL	NIL	NIL	116.93
<b>Directors</b>						
By our Directors	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
<b>Promoters</b>						
By Promoters	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against Promoters	NIL	NIL	NIL	NIL	NIL	NIL
<b>Subsidiaries</b>						
By Subsidiaries	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
<b>Group Companies</b>						
By Group Companies	16,792	N.A.	N.A.	N.A.	NIL	199.35
Against Group Companies	11	47	NIL	NIL	NIL	Not quantifiable

For further details of the outstanding litigation proceedings, please see “*Outstanding Litigation and Material Developments*” on page 242.

### Risk factors

For details of the risks associated with our Company, see the section “*Risk Factors*” on page 12.

### Contingent liabilities

The details of the contingent liabilities (as per Ind AS 37) of our Company for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and for the three months period ended June 30, 2023, derived from the Restated Consolidated Financial Information are set forth below:

Contingent liabilities	(in ₹ crore)			
	For the three months period ended June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Direct Taxes	-	-	-	-
Indirect Taxes	60.13	60.13	0.77	0.83
Guarantees	-	-	0.59	0.59

Contingent liabilities	For the three months period ended June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Claims made by the parties not acknowledged as debts:	-	4.47	6.03	11.50
Estimated amount of contracts remaining to be executed on capital account	219.14	210.65	10.89	22.21
Others	-	-	-	-
<b>Total</b>	<b>279.27</b>	<b>275.25</b>	<b>18.28</b>	<b>35.13</b>

For further details on our contingent liabilities, please see “Financial Information – Restated Consolidated Financial Information – Note 36: Contingent Liabilities” on page 188.

### Summary of related party transactions

The following are the details of the related party transactions for Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, and for the three months period ended June 30, 2023, as per Ind AS 24 – Related Party Disclosures, derived from the Restated Consolidated Financial Information:

(in ₹ crore)

S. No.	Particulars	In the books of	Transaction with	For the three months ended June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1.	Purchase of goods	Sundaram Clayton Limited	TVS Motor Company Limited, Chennai	3.63	20.28	-	-
2.	Sale of goods (including sub contract charges)	Sundaram Clayton Limited	TVS Motor Company Limited, Chennai	89.26	436.47	404.09	248.73
3.	Purchase of power	Sundaram Clayton Limited	Sundram Non Conventional Energy Systems Limited, Chennai	0.05	0.74	0.65	0.66
4.	Rendering of services	Sundaram Clayton Limited	Emerald Haven Realty Limited, Chennai	0.12	0.66	0.49	0.26
			Sundaram Auto Components Limited, Chennai	0.15	1.72	1.66	1.81
			TVS Credit Services Limited, Chennai	0.12	0.62	0.91	0.12
			TVS Motor Company Limited, Chennai	-	-	-	0.56
5.	Receiving of services	Sundaram Clayton Limited	Sundaram Auto Components Limited, Chennai	1.63	6.87	6.09	5.15
			TVS Motor Company Limited, Chennai	2.01	2.01	2.82	1.61
6.	Lease rent received	Sundaram Clayton Limited	Sundram Non Conventional Energy Systems Limited, Chennai	0.004	0.004	0.004	0.004
7.	Remuneration paid	Sundaram Clayton Limited	Key Management Personnel	9.31	14.82	11.05	8.24
8.	Investments		Sundaram Holding USA	82.03	34.28	178.81	54.51



		Sundaram Clayton Limited	Inc, Delaware, USA				
			Sundaram Auto Components Limited (Acquisition of Sundaram Holding US Inc.,)	-	317.01	-	-
			Sundaram-Clayton GmbH, Germany	4.66	0.23	-	-
9.	Contribution to post employment benefit plan	Sundaram Clayton Limited	Sundaram-Clayton Limited Employees Provident Fund, Chennai	3.68	12.18	12.37	10.02
			Sundaram-Clayton Limited Employees Gratuity Fund , Chennai	5.11	5.06	-	4.18
10.	Dividend received	Sundaram Clayton Limited	Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.88	0.35	0.35
11.	Outstanding Receivables	Sundaram Clayton Limited	TVS Motor Company Limited, Chennai	4.00	10.25	25.56	50.85
			Sundaram Auto Components Limited, Chennai	0.62	1.82	1.16	0.52
			TVS Credit Services Ltd, Chennai	0.20	0.09	0.11	0.02
			Emerald Haven Realty Limited, Chennai	-	0.04	0.12	0.17
12.	Outstanding Payables	Sundaram Clayton Limited	TVS Motor Company Limited, Chennai	3.07	3.45	0.01	0.01
			Sundaram Auto Components Limited, Chennai	4.04	3.57	0.61	0.77
			TVS Credit Services Ltd, Chennai	0.001	0.001	-	-
			Sundram Non-Conventional Energy Systems Limited, Chennai	0.36	0.05	-	-

For details of the related party transactions and as reported in the Restated Consolidated Financial Information, please see “*Financial Information – Restated Consolidated Financial Information*” on page 112.

### Financing Arrangements

There have been no financing arrangements whereby our Promoters, directors of our Corporate Promoter, members of our Promoter Group or our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of this Information Memorandum.

**Weighted average price at which the Equity Shares were acquired by the Promoters in the one year preceding the date of this Information Memorandum**

The weighted average price at which Equity Shares were acquired by our Promoters in the one year preceding the date of this Information Memorandum is not applicable as the Equity Shares were acquired by our Promoters pursuant to the Composite Scheme of Arrangement.

**Price at which Equity Shares were acquired by the Promoters, members of Promoter Group and other shareholders with right to nominate directors or any other rights in the last three years**

The price at which Equity Shares were acquired by the Promoters, members of Promoter Group and other shareholders with right to nominate directors or any other rights in the last three years preceding the date of this Information Memorandum is not applicable as the Equity Shares were acquired by our Promoters, members of Promoter Group and other shareholders with right to nominate directors or any other rights pursuant to the Composite Scheme of Arrangement. Further, there are no Shareholders with the right to nominate directors or any other rights.

**Weighted average cost of acquisition of all Equity Shares of our Company transacted in the last 18 months and the last three years**

The weighted average cost of acquisition of all Equity Shares of our Company transacted in the last 18 months and the last three years preceding the date of this Information Memorandum is not applicable as the Equity Shares were only allotted pursuant to the Composite Scheme of Arrangement.

**Average cost of acquisition**

The average cost of acquisition per Equity Share for the Promoters is not applicable as the Equity Shares were allotted pursuant to the Composite Scheme of Arrangement.

**Issue of Equity Shares for consideration other than cash in the last one year**

Other than as disclosed in the section “*Capital Structure*” on page 31, our Company has not issued any Equity Shares for consideration other than cash or bonus issue in the one year preceding the date of this Information Memorandum.

**Spilt or consolidation**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Information Memorandum.

**Exemption under securities laws**

Our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI vide the letter no. SEBI/HO/CFD/RAC/DCR-2/P/OW/50508/2023 dated December 11, 2023.

### SECTION III – RISK FACTORS

*An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more detailed understanding of our business and operations, prospective investors should read this section in conjunction with “Our Business”, “Financial Information – Restated Consolidated Financial Information”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Key Regulations and Policies” and “Outstanding Litigation and Material Developments”.*

*We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate. In addition, the risks provided in this section may not be exhaustive and additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, financial condition, results of operations and prospects. If any of the following risks (or a combination of them), or other risks that are not currently known or are now deemed immaterial, actually occur, our businesses, financial condition, results of operations, and prospects could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the listing including the merits and risks involved. You should consult your tax, financial and legal advisors about particular consequences of investing in the Equity Shares of our Company.*

*Prospective investors should pay particular attention to the fact that we are incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Information Memorandum also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. For details, see “Forward Looking Statements” on page 4.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Automotive Casting” prepared and issued by CRISIL, commissioned by and paid for by us. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data” on page 6.*

*Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. The financial information in this section is derived from our Restated Consolidated Financial Information unless otherwise stated.*

#### **Internal Risk Factors**

- (i) ***Our Company may not be successful in implementing its strategies, such as to be an end-to-end solutions provider, expanding our customer base and expanding the product portfolio, which could adversely affect our business, results of operations and future prospects.***

The success of our business depends largely on our ability to effectively implement our business strategies. Successful execution of our business strategies in the past may not be an assurance that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of a targeted customer in the future. We expect our strategies to place significant demands on our management and other resources and require us to continue developing and improving our operational, financial and other internal efficiencies. Our inability to effectively manage our business and strategies could have an adverse effect on our business, financial condition, profitability and future prospects. Our future growth is dependent on several factors including effective management of our product portfolio and customer base, accurately assess new markets, attract new customers, obtain sufficient financing for our expected capital expenditures, reduce our input cost and fixed costs, maintain sufficient operational and financial controls and make additional capital investments to take advantage of anticipated market conditions. If we are unable to execute our strategies effectively, our business and financial results would be adversely affected. For further details in relation to our strategies, please see “Our Business” on page 52 of this Information Memorandum.

- (ii) ***Our Company does not have firm commitment purchase agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.***

Consistent with the automotive component industry practice, we rely on purchase orders/electronic data interchange to govern the volume and other terms of our sales of products. However, purchase orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, we may be unable to seek compensation for any surplus unpurchased products that we manufacture. Further, in cases where we have contracts with customers, such contracts do not bind our customers to provide us with a specific volume of business and can be terminated by our customers with or without cause and without compensation. Consequently, there is no commitment on the part of the customer to continue to pass on new purchase orders to us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences. Additionally, our customers have set high standards for product quality as well as delivery schedules. Any failure to meet our customers' expectation could result in the cancellation or non-renewal of contracts. There are also a number of factors other than our performance that are beyond our control and that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, claim indemnity, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition.

- (iii) ***The discontinuation of, or loss of business with respect to, or a lack of commercial success of, a particular customer program for which we are a significant supplier, could affect our business, results of operations and financial conditions.***

Our Company has purchase orders from all of our customers. These purchase orders generally provide for supply of products based on customer's requirements, for a particular customer program. Therefore, the discontinuation of, or loss of business with respect to, or a lack of commercial success of, a particular customer program for which we are a significant supplier, could reduce our sales and affect our estimates of anticipated sales, which could have an adverse effect on our business, results of operations and financial conditions.

- (iv) ***Our Company is dependent on our Key Managerial Personnel, and our Senior Management, and the loss of, or our inability to attract or retain, such persons may adversely affect our business, financial condition, results of operations and cash flows.***

Our performance depends largely on the efforts and abilities of our Key Managerial Personnel, Senior Management. We believe that the inputs and experience of our Key Managerial Personnel and Senior Management, in particular, are valuable for the development of our business and operations and the strategic directions taken by us. For details in relation to the experience of our Key Management Personnel and Senior Management, see "Our Management" on page 81. In addition, our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate appropriately qualified personnel. Our failure to successfully manage our personnel needs could adversely affect our business prospects and results of operations. These risks could further arise to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, results of operations and financial condition could be adversely affected.

- (v) ***Our Company and our Subsidiaries are exposed to fluctuations in prices of raw materials, buy-outs and other input materials and if our Company or any Subsidiary is unable to compensate for or pass on such costs to our customers, such increased costs could have an adverse impact on our profitability.***

Our Company and our Subsidiaries are exposed to fluctuations in prices of raw materials, buy-outs and other input materials. Increase in cost of manufacturing could result from rise in prices of aluminium, steel, copper, oil and other components. In the recent past, prices of raw materials, parts, sub-assemblies and components, such as aluminium, steel, copper, oil and other components, have fluctuated on a global level. Therefore, if our Company or our Subsidiaries are not able to compensate for or pass on our increased costs to customers, such increases in cost could have a material adverse impact on the financial results of our Company and/or our Subsidiaries. Neither our Company nor our Subsidiaries generally have a contractual right to unilaterally increase the sales price of our components when the costs of our raw materials, buy-outs or other input materials increase. Thus, there can be no assurance that our Company or our Subsidiaries will be successful in negotiating with and convincing our customers on an agreed price increase that will fully cover the increase in the costs. Additionally, any increase in the sales price of our components will normally take effect for purchase orders received after such negotiations

and compensation for cost increases incurred prior to such negotiations is unlikely to be recuperated. In that event, the price increases may not have a compensating effect for the periods in which the cost increased, which may have an adverse effect on the business, results of operations and financial condition of our Company and/or our Subsidiaries, as the case may be.

- (vi) ***Our Company has a number of competitors, some of whom have greater financial resources than our Company which may impact our share of business and may have adverse effect on our business, results of operations and financial condition.***

The original equipment manufacturer (“OEM”) customers across the world have been continuing their pressure on price reduction from their suppliers including our Company, requiring us to give annual price reductions. Further, though the customers’ purchase agreements with our Company provide for periodic price adjustments indexed to the international prices of aluminium, our Company cannot guarantee that this will not impact our sales, profitability, business, results of operations and financial condition due to our inability to offer our products at a lower price than our competitors.

Some of our competitors may have certain advantages, including greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to customer demands. Accordingly, our Company may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and future prospects.

- (vii) ***Our Company has entered into, and will continue to enter into, related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the Shareholders.***

Our Company has entered into transactions with several related parties. For details on related party transactions, please refer “*Information Memorandum Summary – Related Party Transactions*” on page 6 of this Information Memorandum. The related party transactions are conducted in compliance with applicable laws and on arm’s length basis.

Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. The transactions that our Company has entered into and any future transactions with our related parties could potentially involve conflicts of interest.

- (viii) ***Our Company has significant energy requirements and any disruption to these power sources could increase our production costs and adversely affect our results of operations.***

Our Company is in a continuous process industry requiring substantial electricity for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. Our Company sources our energy requirements for our manufacturing facilities from Tamil Nadu Electricity Board, third parties, wind mills, energy exchanges and self-generating sources. If supply is not available for any reason, our Company will need to rely on alternative sources, which may not be able to consistently meet our requirements. The cost of electricity purchased / generated in-house from alternative sources could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available, our Company may need to shut down our manufacturing facilities until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress. If energy costs were to rise, or if electricity supplies or supply arrangements were disrupted, our profitability could decline.

- (ix) ***Our failure to compete effectively in the highly competitive aluminium die casting industry could result in the loss of customers, which could have an adverse effect on our business, results of operations, financial condition and future prospects. Our Company competes with global competitors in retaining our existing market potential as well as winning new market base for the new and redesigned existing vehicle platforms of our customers.***

Our failure to obtain new market base or to retain or increase our existing market potential could adversely affect our financial results. In addition, our Company may incur significant expense in preparing to meet anticipated customer requirements which may not be recovered. Our Company faces increased competition across our product

portfolio and competition from well-established, international producers of aluminium die casting manufacturers. There is no assurance that our Company will remain competitive with respect to technology, design and quality. Some of our competitors may have certain advantages, including greater financial resources, technology, research and development capability, greater market penetration and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to customer demands. Accordingly, our Company may not be able to compete effectively with our competitors, which may have an adverse impact on our results of operations, financial condition and future prospects.

- (x) ***Our business may be adversely affected by environmental and safety regulations to which our Company is subject to and our Company requires certain approvals and licenses in the ordinary course of business, and the failure to obtain or renew them in a timely manner may adversely affect business, prospects, financial condition and results of operations.***

Our Company is required to comply with central, state and local laws in India, as well as laws and regulations in other jurisdictions where our Company operate governing the protection of the environment and occupational health and safety, including laws regulating the generation, storage, handling, use and transportation of waste materials, the emission and discharge of waste materials into soil, air or water, and the health and safety of employees. Our Company is also required to obtain and comply with environmental permits for certain of our operations. If our Company violates or fails to comply with these requirements, it could be fined or otherwise sanctioned by the relevant regulator. In some instances, such a fine or sanction could adversely affect our business, reputation, financial condition or results of operations. In addition, these requirements may become more stringent over time and there can be no assurance that our Company will not incur significant environmental costs or liabilities in the future. If our Company fails to obtain or renew any of these approvals or licenses, in a timely manner, our operations may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which are onerous and require us to make substantial compliance-related expenditure. If our Company fails to comply or a regulator claims that our Company has not complied with these conditions, our business, reputation, future prospects, financial condition and results of operations may be adversely affected. In addition, Europe is working towards carbon footprint reduction and is planning on imposing carbon tax for goods imported to Europe and Carbon Border Adjustment Mechanism is being proposed for imports, especially from India from 2025 onwards. In view of it, we could see many regulatory/environment related actions in those areas capable of impacting our exports.

- (xi) ***Dependence on our suppliers and the absence of long-term supply contracts may adversely affect the availability of key inputs at reasonable prices or at all, which may in turn affect our margins and have an adverse effect on our business, results of operations and financial condition.***

Our Company and our Subsidiaries are dependent upon a limited number of suppliers for our major raw materials. Discontinuation of production by these suppliers or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper the production schedule of our Company and our Subsidiaries. This dependence may also adversely affect the availability of key raw materials at reasonable prices thus affecting our margins and may have an adverse effect on our business, results of operations and financial condition. There can be no assurance that strong demand, capacity limitations or other problems experienced by our Company and/or our Subsidiaries' suppliers will not result in occasional shortages or delays in their supply of raw materials. If our Company or any of our Subsidiaries were to experience a significant or prolonged shortage of raw materials from any of our suppliers, and our Company or such Subsidiary cannot procure the raw materials from other sources, we would be unable to meet our production schedules and to ship such products to our customers on time, which would adversely affect our sales, margins and customer relations. In the absence of long-term supply contracts, neither our Company nor our Subsidiaries can assure you that a particular supplier will continue to supply our products in the future. Any change in the supplying pattern of our raw materials can adversely affect our business and profits. Further, the automotive industry experiences volatility with respect to raw materials prices. Our Company plans to pass on the increase in cost of raw materials onto our customers. However, 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 the date on which our Company can reset the component prices for our customers, to account for the increase in the prices of such raw materials. Our Company and our Subsidiaries' need to maintain a continued supply of raw materials may make it difficult to resist price increases and surcharges imposed by our suppliers, which may have an adverse effect on our business and results of operations.

- (xii) ***Our Company are dependent on third parties for the supply of raw materials and delivery of products and if such providers fail to meet their obligations on account of impediments in transportation facilities, our business and results of operations could be adversely affected.***

Our Company relies on third parties for the supply of our raw materials and for deliveries of finished and unfinished products to our domestic and overseas customers as well as between production facilities. Transportation strikes could have an adverse effect on our supplies and deliveries to and from particular plants leading to inefficiencies in our operations. An increase in freight costs or the unavailability of adequate port and shipping infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operations.

**(xiii) *Product liability and other civil claims and costs incurred as a result of product recalls could harm our business, results of operations and financial condition.***

Our Company through itself or through our Subsidiary, Sundaram Clayton Holdings USA Inc produces castings based on customer's specification and as such it does not own the product design. Therefore, our Company is responsible for material quality and workmanship. Further, our Company faces an inherent business risk of exposure to product liability or recall claims, especially in respect of our foreign operations, in the event that our products fail to perform as expected or such failure results, or are alleged to result, in bodily injury or property damage or both. Our Company cannot assure you that it will not experience any material product liability losses in the future or that it will not incur significant costs to defend any such claims.

Vehicle manufacturers have their own policies regarding product recalls and other product liability actions relating to their suppliers such as our Company. However, as suppliers become more integrally involved in the vehicle design process and assume more vehicle assembly functions, vehicle manufacturers may seek compensation from their suppliers when faced with product recalls, product liability or warranty claims. Vehicle manufacturers are also increasingly requiring third-party suppliers to provide warranties for their products and bear the costs of repair and replacement of such products under new vehicle warranties. Depending on the terms under which our Company supplies products, our customers may hold us responsible for some or all of the repair or replacement costs of defective products under new vehicle warranties provided by us or by our customers, when the product supplied does not perform as expected. Such warranties may be enforced against us even in cases where the underlying sales contract has expired. A successful warranty or product liability claim or costs incurred for a product recall in excess of our available insurance coverage, if any, would have an adverse effect on our business, results of operations and financial condition.

As a result of product liability legislation, civil claims may be brought against OEMs, and our Company may be made parties to such claims where damages may have been caused by any faulty products that our Company produced. Although we have carried out insurance for product liability or recall but we cannot assure that may not provide adequate coverage in case of abovementioned claims. 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 and financial condition.

**(xiv) *Our Company has substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition.***

Our business is capital intensive and requires constant expansion and upgradation of existing production facilities. Nevertheless, certain capital expenditures, the actual amount and timing of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather related delays, technological changes and additional market developments and new opportunities in the casting industry. Our sources of additional financing, where required to meet our capital expenditure plans, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If our Company or our Subsidiaries decide to raise additional funds through the incurrence of debt, interest and debt repayment obligations will increase, which 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. Any issuance of equity, on the other hand, would result in a dilution of shareholding of existing investors. In many cases, a significant amount of our working capital is required to finance the purchase of materials and the performance of engineering, procurement, manufacturing and other work before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result in increases in the amount of our receivables and short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our financial condition and results of operations.

- (xv) ***We regularly work with hazardous materials and activities in our operation can be dangerous, which could cause injuries to people or property.***

Despite complying with requisite safety requirements and standards, our operations are subject to significant hazards, including fires, mechanical failures and other operational problems; discharges or releases of hazardous substances, chemicals or gases and other environmental risks. These hazards can cause personal injury and loss of life, catastrophic damage or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities which could adversely affect our results of operations, financial condition and reputation. Our Company could also face claims and litigation, in India or overseas, as a result of occupational exposure to hazards at our facilities. If these claims and lawsuits, individually or in the aggregate, are determined against us, our business, results of operations and financial condition could be adversely affected.

- (xvi) ***Our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business and results of operations.***

Our workforce includes members of labour union, thus it may be difficult for us to maintain flexible labour policies, and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Strikes or work stoppages can adversely affect the results of our operations and reputation. Further, work stoppages or slow-downs experienced by our customers or key suppliers could result in slow-downs or closures of our units or assembly plants where our products are included in the end products. In the event that we or one or more of our customers or key suppliers experience a work stoppage, such work stoppage could have an adverse effect on our business, results of operations and financial condition.

- (xvii) ***Our Company including our Subsidiaries appoint contract labour for carrying out certain of our ancillary operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company and its Subsidiaries appoint independent contractors who in turn engage on-site contract labour for performance of certain of our ancillary operations. Although neither our Company nor our Subsidiaries engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

- (xviii) ***Our continued operations are critical to our business and any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities, etc. The assembly lines of our customers rely significantly on the timely delivery of our castings and our ability to provide an uninterrupted supply of our products is critical to our business. In addition, some of our customers impose significant penalties on component manufacturers like us for any stoppage in any assembly line, caused either by delayed delivery of a component or a defect in the components delivered. Our business and financial results may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above.

- (xix) ***Our Company may not have sufficient insurance coverage to cover our economic losses as well as certain other risks including those pertaining to claims by third parties and litigation.***

Our business involves many risks and hazards which may adversely affect our profitability, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure. Our Company cannot assure you that the operation of our business will not be affected by any of the incidents and hazards listed above. In addition, our insurance may not provide adequate coverage in such circumstances including those involving claims by third parties and is subject to certain deductibles,



exclusions and limits on coverage. If our arrangements for insurance or indemnification are not adequate to cover claims, including those exceeding policy aggregate limitations or exceeding the resources of the indemnifying party, our Company may be required to make substantial payments and our results of operations and financial condition may be adversely affected.

(xx) *There are outstanding litigation proceedings against our Company and our Group Companies, which if determined adversely, could affect our business and results of operations.*

In the ordinary course of our business, our Company and Group Companies are involved in certain legal proceedings, pending at varying levels of adjudication before various courts, tribunals and appellate authorities. Any such action may include claims for substantial or unspecified compensatory and punitive damages may be significant or remain unknown for significant periods of time.

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Promoter and Directors is set out below:

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Material Civil Litigation	Aggregate amount involved (₹ in crore)
<b>Company</b>						
By our Company	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against our Company	NIL	29	NIL	NIL	NIL	116.93
<b>Directors</b>						
By our Directors	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
<b>Promoters</b>						
By Promoters	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against Promoters	NIL	NIL	NIL	NIL	NIL	NIL
<b>Subsidiaries</b>						
By Subsidiaries	NIL	N.A.	N.A.	N.A.	NIL	NIL
Against Subsidiaries	NIL	NIL	NIL	NIL	NIL	NIL
<b>Group Companies</b>						
By Group Companies	16,792	N.A.	N.A.	N.A.	NIL	199.35
Against Group Companies	11	47	NIL	NIL	NIL	Not quantifiable

Given the uncertainties and complexity of many of these regulatory or legal proceedings, their outcome generally cannot be predicted with any reasonable degree of certainty.

We cannot assure you that any of the outstanding legal proceedings will be settled in our favour, or that no additional liability will arise out of these proceedings. We may incur significant expenses and management time in such legal proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. An adverse outcome in any of these proceedings could have an adverse effect on our business, financial condition, results of operations, and prospects.

Moreover, even claims are withdrawn, or if we ultimately prevail in a relevant litigation, regulatory action or investigation, we could suffer significant harm to our reputation, which could materially affect our prospects and future growth, including our ability to attract new contracts, retain current contracts and recruit and retain employees and agents.

For details, see “*Outstanding Litigation and Material Developments*” on page 242.

**(xxi) Our Company has issued 8,73,032 Preference Shares of ₹ 10 each which will bear priority over Equity Shares. The dividend payable on such Preference Shares will take priority over the dividend payable to Equity Shareholders. Further, our ability to pay dividends are subject to our future earnings, cash flows and our financial condition.**

Our Company has allotted 8,73,032 non-convertible redeemable Preference 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. The tenure of such Preference Shares is up to August 30, 2024. Accordingly, the Preference Shareholders have a preferential claim over dividend, bonus, rights shares, voting rights and other corporate benefits pursuant to the Composite Scheme of Arrangement till August 30, 2024. For further details, please see “*Capital Structure*” on page 31.

The amount of our future dividend payments, if any, will be at the sole discretion of our Board of Directors subject to regulatory stipulations and will depend on our future earnings, cash flows and our financial condition. There can be no assurance that we will pay dividends. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Additionally, in the future, we may be restricted by the terms of our financing agreements in making dividend payments unless otherwise agreed with our lenders. We may be unable to pay dividends in the near or medium term and our future dividend policy will depend on our capital requirements, financial condition and results of operations. For details, see “*Dividend Policy*” on page 110.

**(xxii) Our Company is required to obtain certain approvals and licenses in its ordinary course of business. Such approvals and licenses may not yet be in the name of our Company and any failure or delay in obtaining them in the name of our Company may adversely affect our business operations.**

Our Company is required to procure certain government and other statutory approvals and licenses to carry on our business activities. Such approvals and licenses may not have been obtained in the extant name of our Company, pursuant to the change from its former name, “Sundaram - Clayton DCD Limited”. Further, our Company may be required to amend the approvals obtained in the name of the Demerged Company which got transferred to our Company pursuant to the Composite Scheme of Arrangement. Intimations for change in name of all such approvals have been made. Any failure to obtain the required licenses, approvals, registrations etc., in a timely manner may result in adverse effects, including delay of our business operations, growth prospects and financial condition. We cannot assure that the approvals, licenses and registrations would not be suspended, revoked or expire pursuant to any resulting regulatory action.

For further details, please see “*Government and Other Approvals*” on page 251 of this Information Memorandum.

**(xxiii) Our business depends on a trusted brand, and any failure to maintain, protect, and enhance our brand would hurt our business.**

We are permitted to use the “TVS” brand, which is a trusted brand in India. Maintaining, protecting, enhancing and promoting the trust in us, our platforms and our brand is critical to expanding the base of consumers, merchants and other partners on our platforms, as well as increasing their engagement with our products. Any negative publicity about our industry or us, the quality and reliability of our products, our risk management processes, our ability to effectively manage and resolve merchant and consumer complaints, litigation, regulatory activity, and the experience of buyers of our products, could adversely affect our reputation and the confidence in and use of our products.

Many factors could undermine or damage the trust in us, our platforms or our brand, including, failure by us or our partners to satisfy expectations of service and quality, inadequate protection of sensitive information, compliance failures and claims, employee misconduct, and misconduct by our partners, service providers, or other counterparties. Instances of unsatisfactory services provided by us may damage the trust that our consumers have in our brand and our platforms. We may receive negative reviews from our customers and become subject to legal notice and/or action, which may adversely affect our reputation and the confidence in and use of our products and services. If we do not successfully maintain the trust in us, our business, financial condition, results of operations, cash flows and prospects would be materially and adversely affected.

**(xxiv) Failure to manage our inventory could result in adverse effects on our net sales, profitability, cash flow and liquidity.**

Effective management of our inventory and stocks impacts the results of operations of our business. Precise estimation of customer demand and supply requirements is necessary to ensure that new inventory is manufactured in an effective manner. Our Company cannot assure the accuracy of such estimation and any lapses could result in either a shortage of products to meet demand requirements or an accumulation of excess inventory. Further, failure to sell inventory may necessitate us to write-down our inventory or pay our suppliers without inflow of cash or create additional vendor financing, which could adversely impact our income and profitability.

**(xxv) An inability to comply with standards of quality in connection with our products, quality system and/or our manufacturing facilities could adversely impact our business and operations.**

Our customer satisfaction is integrally dependent on the quality of our products. We strive to achieve excellent quality through the use of sophisticated technology, training, effective quality systems, continuous improvement and complete employee involvement. Use of Poka-yokes 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 system is IATF 16949 certified. Further failure of our products in meeting the quality standards could result in rejection and/or replacement of orders. Any such failure in maintaining quality of our products could adversely impact our business and operations.

**(xxvi) Not all immovable properties used by us are owned in our Company's name. Inability to renew the existing leases or re-locating operations on commercial terms may impact our business operations and financial condition.**

Some of our offices are on premises that have been leased by us from third parties through lease or leave and license or tenancy arrangements for fixed terms. Upon expiration of the term of the relevant agreement for each such premise, we will be required to negotiate the terms and conditions on which such agreement may be renewed. We cannot assure you that we will be able to renew these agreements on commercially reasonable terms in a timely manner, or at all. In the event that these existing leases are terminated, or they are not renewed on commercially acceptable terms or at all, it may have an adverse impact on our operational activities for the time being.

For further details in relation to our properties, please see “Our Business” on page 52.

**(xxvii) Industry information included in this Information Memorandum has been derived from an industry report commissioned for this Information Memorandum, from CRISIL and paid by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.**

Certain information in the sections entitled “Our Business” “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 52, 43 and 215 includes information that is derived from the CRISIL Report. We have commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with this Information Memorandum. Neither we, nor any other person connected with the listing has verified the information in the CRISIL Report. CRISIL has advised that while it has taken due care and caution in preparing the report based on information obtained from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. The CRISIL Report highlights certain industry and market data relating to our Company and our competitors. Such data is subject to many assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that CRISIL’s assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Information Memorandum. Further, the CRISIL Report is not a recommendation to invest or disinvest in our Company or any company covered in the CRISIL Report. Prospective readers are advised not to unduly rely on the CRISIL Report when making their investment decision.

We have not independently verified data obtained from official and industry publications and other sources referred to in this Information Memorandum and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in the

industry publications we have referenced. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate are subject to the caveat that the third-party and statistical data upon which such discussions are based may be incomplete or unreliable. For details, see “*Industry Overview*” on page 43.

**(xxviii) We have certain contingent liabilities which, may materialize.**

The following table sets forth certain information relating to our contingent liabilities as per Ind-AS 37:

(in ₹ crore)

Contingent Liabilities	For the three months period ended June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Direct Taxes	-	-	-	-
Indirect Taxes	60.13	60.13	0.77	0.83
Guarantees	-	-	0.59	0.59
Claims made by the parties not acknowledged as debts:	-	4.47	6.03	11.50
Estimated amount of contracts remaining to be executed on capital account	219.14	210.65	10.89	22.21
Others	-	-	-	-
<b>Total</b>	<b>279.27</b>	<b>275.25</b>	<b>18.28</b>	<b>35.13</b>

For further details on our contingent liabilities, please see “*Financial Information – Restated Consolidated Financial Information – Note 36: Contingent Liabilities*” on page 188.

**(xxix) Our Subsidiaries have incurred losses in the past and may not be able to generate profits in the future.**

As on March 31, 2023, Sundaram Holding USA Inc., our Subsidiary had incurred loss of ₹185.55 crore and a net worth of ₹499.47 crore. Sundaram Holdings, USA Inc. is in a ramp up stage and is expected to generate profit in the coming periods.

Sundaram Clayton GmbH, another Subsidiary has also incurred loss of ₹0.55 crores and a negative net worth of ₹0.32 crores as on March 31, 2023, as it is yet to commence its operations. While we expect our Subsidiaries to generate profits in the future, we cannot provide an assurance of the same.

Due to the losses incurred by the Subsidiaries, the consolidated profit after tax of our Company as on March 31, 2023 is ₹(107.84) crores. We cannot assure that our Subsidiaries will not achieve positive cash inflows in the future. Any such negative cash inflows will have an adverse effect on our financial conditions and future business prospects.

For more details, please see, “*Financial Information*” on page 111.

**(xxx) We had negative cash flows generated from operating activities for the three months period ended June 30, 2023 and we may experience negative cash flows from operating activities in the future.**

The table sets forth the summary of our statement of cash flows for the three months period ended June 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021.

(In ₹ crore)

Particulars	Three months period ended June 30, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Net cash from/(used in) operating activities	(2.34)	126.15	104.97	110.86
Net cash from/(used in) investing activities	(57.36)	(185.97)	(99.02)	(46.15)
Net cash from/(used in) financing activities	83.11	39.96	96.56	(106.96)
Net increase/(decrease) in cash and cash equivalents	23.41	(19.86)	102.51	(42.25)
Cash and cash equivalents at the beginning of the year	103.75	123.61	21.10	63.35
Cash and cash equivalents at the end of the year	127.16	103.75	123.61	21.10

Our cash generated from operations and investing activities was negative for the three months period ended June 30, 2023 and the cash generated from investing activities was negative for the three months period ended June 30, 2023 and for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021. For more details, please see, “*Financial Information – Restated Consolidated Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Cash flows*” on page 215.

We may experience negative cash flows from operating activities in the future, which could adversely affect our business and financial condition.

***(xxxi) Our non-convertible debentures are listed on the NSE and we are subject to rules and regulations with respect to such listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, which may have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our non-convertible debentures are listed on the debt segment of the NSE. We are required to comply with various applicable rules and regulations, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Listing Regulations, in terms of our listed non-convertible debentures. If we fail to comply with such rules and regulations, we may be subject to certain penal actions, including, without limitation, restrictions on the further issuance of securities and the freezing of transfers of securities, which may have an adverse effect on our business, results of operations, financial condition and cash flows.

***(xxxii) Our Company and Sundaram Holdings USA Inc, one of our Subsidiaries, are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, accelerated repayment schedule, which may affect our Company’s and its Sundaram Holdings USA Inc’s business operations, financial conditions and cash flows***

Some of the financing arrangements entered into by our Company and Sundaram Holdings USA Inc, include conditions that restrictive conditions that require respective lenders’ consent prior to carrying out certain actions including: (i) restructuring; (ii) effect change in ownership or control of our Company; (iii) effect material change in the management of our Company; (iv) amend the MoA and the AoA, among others. Failure to meet these conditions could have significant consequences on our Company’s and Sundaram Holdings USA Inc’s business operations. In addition, lenders may recall all or part of unsecured loans availed by our Company on short or no notice. Such recalls on borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade lenders to give us extensions or to refrain from exercising such recalls, which may adversely affect our results of operations and cash flows.

Further, pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger acceleration provisions. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing

***(xxxiii) Our Promoters may not have adequate experience in the business activities undertaken by our Company and our Subsidiaries.***

Our Promoter, VS Trust (Mr. Venu Srinivasan, Trustee) is a private trust and our Corporate Promoter is primarily engaged in the business of distribution of commercial vehicles, multi utility & sports utility vehicles, three wheelers, passenger cars representing various leading automobile vehicle. Due to the nature of their core activities, our Promoter, VS Trust (Mr. Venu Srinivasan, Trustee) and our Corporate Promoter may not have adequate experience in the business activities undertaken by our Company and our Subsidiaries. For details, see “*Our Promoters and Promoter Group*” on page 104. We cannot assure you that the lack of such adequate prior experience in the line of business of our Company and our Subsidiaries will not have any adverse impact on the management or operations of our Company and our Subsidiaries.

## **EXTERNAL RISK FACTORS**

***(xxxiv) Changing regulations in India could lead to new compliance requirements that are uncertain.***

The regulatory and policy framework in which we operate is evolving and is subject to change. The Government of India may implement new laws or other regulations and policies that could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose additional requirements.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. 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 and prospects. 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. For example, the Government has recently introduced (a) the Code on Wages, 2019 (“**Wages Code**”); (b) the Code on Social Security, 2020 (“**Social Security Code**”); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020, which consolidate, subsume and replace numerous existing central labour legislations. The rules for the implementation of these codes have not been announced, and as such, the full impact of such laws on our business, operations and growth prospects, remain uncertain. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. A change of law that requires us to treat and extend benefits to our outsourced personnel, and personnel retained on a contractual basis, similar to our full-time employees may create potential liability for us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy applicable to us, 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. 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 and prospects.

*(xxv) Slowdown in economic growth in India*

Our Company’s performance, quality and growth of its business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy could adversely affect the business of our Company including but not limited to its ability to meet the significant sale targets of various products and ability to implement its strategy etc.

*(xxvi) Financial 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, Europe and certain emerging economies in Asia. Any worldwide financial instability 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 vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

*(xxvii) Natural disasters, fires, epidemics, pandemics, acts of war, civil unrest and other events could materially and adversely affect our business.*

Natural disasters (such as typhoons, flood, earthquakes, etc.), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition, cash flows and results of operations.

***(xxviii) Rights of shareholders under Indian laws 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 and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in an Indian company than as a shareholder of a corporation in another jurisdiction.

***(xxxix) Civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect the Indian economy.***

Certain events that are beyond the control of our Company, such as violence or war, including those involving India, United Kingdom, United States, Russia or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected.

***(xl) We are exposed to fluctuations in foreign exchange rates.***

Exchange rates are impacted by a number of factors including volatility of international capital markets, geo-political events, interest rates and monetary policy stance in developed economies like the United States of America, level of inflation and interest rates in India, the balance of payment position and trends in economic activity. Rising volatility in capital flows due to changes in monetary policy in the United States or other economies or a reduction in risk appetite or increase in risk aversion among global investors and consequent reduction in global liquidity may impact the Indian economy and financial markets. During Fiscal 2022, several factors impacted the exchange rate including the second and third wave of the COVID-19 pandemic, geo-political tensions due to the crisis in Ukraine and sanctions on Russia, and deterioration in economic conditions following a sharp rise in global crude oil prices and increase in inflation in developed economies. The rupee depreciated to ₹75.79 per U.S. dollar at March 31, 2022 from ₹73.11 per U.S. dollar at March 31, 2021.

In the past, concerns over India's current account deficit and changes in capital flows due to changes in the USA's monetary policy have caused the rupee to depreciate against the U.S. dollar. The rupee depreciated to ₹82.17 per U.S. dollar at March 31, 2023. This was following the tightening of monetary policy by the U.S. Federal Reserve due to rising inflation concerns including the failure of three regional banks in the USA and a bank in Europe; the ongoing war between Russia and Ukraine and the sanctions imposed on Russia.

Further, any increased intervention in the foreign exchange market or other measures by the Reserve Bank of India to control the volatility of the exchange rate, may result in a decline in India's foreign exchange reserves and reduced liquidity and higher interest rates in the Indian economy. Prolonged periods of volatility in exchange rates, reduced liquidity and high interest rates could adversely affect our business, our future financial performance and the prices of our Equity Shares. A sharp depreciation in the exchange rate may also impact some corporate borrowings having foreign currency obligations that are not fully hedged.

Our Company may borrow in foreign currency, which are subject to exchange rate fluctuation risks while our lending will be primarily in Indian rupees and hence, we are subject to risks arising out of foreign exchange rate fluctuations. Further we may hedge our exposure as per the policies framed from time to time. However, there is no assurance that such measures will be fully effective in mitigating such risks. Our inability to manage our foreign exchange risk may result in adversely affecting our results of operations and financial condition.

***(xli) Investors may be subject to Indian taxes arising out of capital gains and stamp duty on the sale of the Equity Shares and on the payment of dividends.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. A securities transaction tax (“STT”) is levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months may be subject to long-term capital gains tax in India at the specified rates depending on certain factors, such as STT paid, the quantum of gains and any available treaty exemptions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any equity shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain released on the sale of our equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. While non-residents may claim tax treaty benefits in relation to such capital gains income, generally, Indian tax treaties do not limit India’s right to impose tax on capital gains arising from sale of shares of an Indian company.

The Finance Act, 2020 (“**Finance Act**”) had stipulated that the sale, transfer and issue of certain securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of certain securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of certain securities other than debentures, on a delivery basis, is currently specified under the Finance Act at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Under the Finance Act, any dividends paid by an Indian company is subject to tax in the hands of the shareholders at applicable rates. Such taxes are to be withheld by the Indian company paying dividends. Further, the Finance Act removed the requirement for dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the Shareholders, both resident as well as non-resident. Our Company may 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, subject to appropriate documentation provided by such non-resident Shareholder. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning Equity Shares.

*(xlii) Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA and the rules thereunder. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements under applicable law. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior regulatory approval will be required.

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. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. 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 you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

Further, in accordance with 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 Instruments Rules, all investments under the foreign direct investment route by entities of a country which share a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Any such approval(s) would be subject to the discretion of the regulatory authorities. Further, in the event



of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. While the term “beneficial owner” is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, 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 involve certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Restrictions on foreign investment activities and impact on our ability to attract foreign investors may cause uncertainty and delays in our future investment plans and initiatives. We cannot assure you that any required approval from the relevant governmental agencies can be obtained on any particular terms or at all. Further, if our Company ceases to be “owned and controlled” by resident Indian entities, we will be subject to additional investment and exit restrictions under the FDI Policy and the FEMA.

## SECTION IV – INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated 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 29, 2017 was issued by the Registrar of Companies. 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. 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. 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 *vide* its order dated March 6, 2023, and a fresh certificate of incorporation dated August 30, 2023 was issued by the Registrar of Companies.

The Demerged Undertaking (die casting division) was part of erstwhile Sundaram-Clayton Limited (*now known as TVS Holdings Limited*) and is one of the largest auto components manufacturing and distribution groups in India and is also a leading supplier of aluminium die castings to automotive and non-automotive sector. The said die casting business is in operation from the year 1962 and has achieved many milestones and emerged as one of the preferred solution providers in machined and sub-assembled aluminium castings. The contribution commences from early design stage to development and supply of finished product. Over the years, it has built strategic partnership with global original equipment manufacturers and Tier 1 Customers. As a part of the Composite Scheme of Arrangement, the Demerged Undertaking was transferred to our Company effective from August 11, 2023. For further details, please see “*History and Certain Corporate Matters*” on page 67 of this Information Memorandum.

#### **Registered and Corporate Office of our Company:**

The address of our Registered and Corporate Office is as follows:

**Sundaram-Clayton Limited**  
(formerly known as Sundaram - Clayton DCD Limited)  
“Chaitanya”, No. 12  
Khader Nawaz Khan Road  
Nungambakkam  
Chennai – 600 006  
Tamil Nadu, India

#### **Company Registration Number and Corporate Identity Number**

The registration number and corporate identity number of our Company are as follows:

- a. Registration number: 118316
- b. Corporate identity number: U51100TN2017PLC118316

#### **Registrar of Companies**

Our Company is registered with the Registrar of Companies, Tamil Nadu at Chennai, which is situated at the following address:

**Registrar of Companies, Tamil Nadu at Chennai**  
Block #6, B Wing, 2<sup>nd</sup> Floor  
Shastri Bhavan, 26, Haddows Road  
Chennai – 600 034  
Tamil Nadu, India

#### **Board of Directors**

The Board of Directors of our Company as on the date of this Information Memorandum is as follows:

S. No.	Name of Director	Designation	DIN	Address
1.	Mr. R Gopalan	Chairman and Independent Director	01624555	D-256, 3rd Floor, Defence Colony, NCT of Delhi – 110 024, New Delhi, India
2.	Mr. Venu Srinivasan	Chairman Emeritus and Managing Director	00051523	“West Side House” No.3, Adyar Club Gate Road, Chennai – 600 028, Tamil Nadu, India
3.	Dr. Lakshmi Venu	Managing Director	02702020	New No.11, Old No.5, Murugappa Road, Kotturpuram, Chennai – 600 085, Tamil Nadu, India
4.	Mr. Vivek Shripad Joshi	Whole-time Director and CEO	09522758	J-11, Culture Crest, Spine Road, Near Spine City Mol, Sector no.6 Santnagar, Moshi, Pradhikaran, Alandi Rural, Pune – 412 105, Maharashtra, India
5.	Mr. Chittranjan Dua	Independent Director	00036080	88, Sunder Nagar, NCT of Delhi – 110 003, New Delhi, India
6.	Mr. Rajesh Narasimhan	Non-Independent Non-Executive Director	07824276	23 Leonie Hill, No. 11-02, Singapore – 239 224 SG
7.	Ms. Sasikala Varadachari	Independent Director	07132398	E-11, Hiranya Apartments, 84, Greenways Road, Extension R.A. Puram, Chennai – 600 028, Tamil Nadu, India
8.	Mr R Anandakrishnan	Non-Independent Non-Executive Director	07806173	2015, Sobha Suncrest, Kanakapura Road, Thalaghattapura Post Bengaluru, Karnataka - 560062

For further details on the Board of Directors of our Company, please see “*Our Management*” on page 81.

#### **Company Secretary and Compliance Officer**

Mr. P D Dev Kishan is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

#### **Mr. P D Dev Kishan**

Chaitanya, No. 12, Khader Nawaz Khan Road,  
Nungambakkam,  
Chennai – 600 006,  
Tamil Nadu, India.

**Tel.:** 044-2833 2115

**Email:** [dev.kishan@sundaramclayton.com](mailto:dev.kishan@sundaramclayton.com)

#### **Legal Advisors to our Company**

**Khaitan & Co**  
One World Centre  
10<sup>th</sup> and 13<sup>th</sup> Floor, Tower 1C  
841, Senapati Bapat Marg  
Mumbai – 400 013  
Maharashtra, India  
Tel.: +91 22 6636 5000

**Khaitan & Co**  
Embassy Quest  
3<sup>rd</sup> Floor  
45/1 Magrath Road  
Bengaluru – 560 025  
Karnataka, India  
Tel.: +91 80 4339 7000

#### **Bankers to our Company**

##### **State Bank of India**

Corporate Accounts Group Branch  
3<sup>rd</sup> Floor, Sigappi Achi Building  
18/2, Rukmani Lakshmipathi Road  
Chennai – 600 008  
Tamil Nadu, India  
**Tel.:** 044-28576171  
**Email:** cmcsd.cagche@sbi.co.in

#### **Registrar and Share Transfer Agent**

##### **Integrated Registry Management Services Private Limited**

2<sup>nd</sup> Floor, “Kences Towers”  
No. 1, Ramakrishna Street  
North Usman Road, T Nagar  
Chennai – 600 017  
Tamil Nadu, India  
**Tel.:** 044-28140801-03  
**Email:** srirams@integratedindia.in  
**Website:** <http://www.integratedindia.in/>  
**Contact Person:** S Sriram, Assistant Vice President  
**SEBI Registration No:** INR000000544

#### **Statutory Auditors**

##### **M/s Raghavan, Chaudhuri & Narayanan**

Chartered Accountants  
No. 17/12, II Floor, Casa Capitol  
Wood Street, Ashok Nagar  
Bengaluru – 560 025  
Karnataka, India  
**Tel.:** 080-2556 7578 / 2551 4771  
**Email:** sathya@nca-india.com  
**Firm registration number:** 007761S  
**Peer review number:** 013090

#### **Changes in auditors**

Except as disclosed below, there has been no change in the statutory auditors of our Company in the last three years preceding the date of this Information Memorandum:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Date of change</b>	<b>Reason for change</b>
1.	<b>M/s Raghavan, Chaudhuri &amp; Narayanan, Chartered Accountants</b> No. 17/12, II Floor, Casa Capitol Wood Street, Ashok Nagar Bengaluru – 560 025 <b>Tel.:</b> 080-2556 7578 / 2551 4771 <b>Email:</b> sathya@nca-india.com <b>Firm registration number:</b> 007761S	July 27, 2021	Appointment as Statutory Auditors of our Company

	<b>Peer review number:</b> 013090		
2.	<b>M/s V. Sankar Aiyar &amp; Co., Chartered Accountants</b> 2-C, Court Chambers No. 35 New Marine Lines Mumbai – 400 020 Maharashtra, India <b>Tel.:</b> 022-22004465 <b>Email:</b> mumbai@vsa.co.in <b>Firm registration number:</b> 109208W <b>Peer Review No:</b> 014088	July 27, 2021	Resignation due to pre-occupation in other assignments

### **Filing**

A copy of this Information Memorandum has been filed with the BSE and the NSE.

### **Listing**

Our Company has nominated National Stock Exchange of India Limited as the Designated Stock Exchange.

### **General disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in this Draft Information Memorandum or in the advertisements to be published in terms of Part II (A) (5) of the SEBI Circular or any other material issued by, or at the instance of, our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner.

## CAPITAL STRUCTURE

### Share capital

#### A. Equity share capital of our Company prior to the Composite Scheme of Arrangement

	Particulars	Aggregate nominal value (₹)
<b>I</b>	<b>AUTHORIZED SHARE CAPITAL</b>	
	2,500 equity shares of ₹10 each	25,000
<b>II</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
	2,500 equity shares of ₹10 each	25,000
<b>III</b>	<b>SECURITIES PREMIUM</b>	
	Prior to the Composite Scheme of Arrangement	-

#### B. Share capital of our Company post the Composite Scheme of Arrangement

	Particulars	Aggregate nominal value (₹)
<b>I</b>	<b>AUTHORIZED SHARE CAPITAL</b>	
	2,50,00,000 Equity Shares of ₹5 each	12,50,00,000
	25,00,000 Preference Shares of ₹10 each	2,50,00,000
	<b>Total</b>	<b>15,00,00,000</b>
<b>II</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>	
	2,02,32,104 Equity Shares of ₹5 each	10,11,60,520
	8,73,032 Preference Shares of ₹10 each	87,30,320
	<b>Total</b>	<b>10,98,90,840</b>
<b>III</b>	<b>SECURITIES PREMIUM</b>	
	Post the Composite Scheme of Arrangement	-

Note: The post-Scheme capital structure is as on date of this Information Memorandum.

### Notes to the capital structure

#### 1. Equity share capital history of our Company

The history of the equity share capital of our Company is provided in the following table:

Date of allotment	No. of equity shares allotted/(cancelled)	Face value per equity share (₹)	Issue price /Buy back price per equity share (₹)	Nature of consideration	Nature of allotment	Cumulative No. of equity shares	Cumulative paid-up equity share capital (₹)
August 29, 2017	2,500*	10	10	Cash	Subscription to the MoA	2,500	25,000
August 11, 2023	2,500	10	N.A.	N.A.	Cancellation of equity shares pursuant to Composite Scheme of Arrangement	-	-
August 31, 2023	2,02,32,104**	5***	N.A.	Consideration other than cash	Allotment pursuant to the Composite Scheme of	2,02,32,104	10,11,60,520

					Arrangement		
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\* 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 2,02,32,104 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 of ₹10 each was altered to 2,50,00,000 Equity Shares of ₹5 each and 25,00,000 Preference Shares of ₹10 each.

## 2. Preference Share capital history of our Company

The following table sets forth the history of the Preference Share capital of our Company:

Date of allotment	Number of Preference Shares allotted/cancelled/converted	Face value per Preference Share (in ₹)	Issue/redemption price per Preference Share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of Preference Shares	Cumulative paid-up Preference Share capital (₹)
August 31, 2023	8,73,032*	10	N.A.	Consideration other than cash	Allotment pursuant to the Composite Scheme of Arrangement	8,73,032	87,30,320

\* Allotment of 8,73,032 Preference 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.

## 3. Equity shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves

- Our Company has not issued any equity shares out of its revaluation reserves since its incorporation.
- Except as stated below, our Company has not issued any equity shares for consideration other than cash or by way of bonus issue, as on the date of this Information Memorandum.

Date of allotment	Number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason/Nature of allotment	Details of benefits accrued to our Company, if any
August 31, 2023	2,02,32,104*	5	N.A.	Pursuant to the Composite Scheme of Arrangement	Acquisition of the Demerged Undertaking

\* Allotment of 2,02,32,104 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.

- Except as stated below, our Company has not issued any Preference Shares for consideration other than cash or by way of bonus issue, as on the date of this Information Memorandum.

Date of allotment	Number of Preference Shares	Face value per Preference Share (₹)	Issue price per Equity Share (₹)	Reason/Nature of allotment	Details of benefits accrued to our Company, if any
August 31, 2023	8,73,032*	10	N.A.	Pursuant to the Composite Scheme of Arrangement	Acquisition of the Demerged Undertaking

*\* Allotment of 8,73,032 Preference 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.*

**4. Issue of shares pursuant to scheme of arrangement**

Except as stated in Note 3 above, our Company has not allotted any equity shares or Preference Shares pursuant to a scheme of arrangement, as on the date of this Draft Information Memorandum.

For further details of the Composite Scheme of Arrangement, please see “*Composite Scheme of Arrangement*” on page 77.



5. Shareholding pattern of our Company prior and post Composite Scheme of Arrangement

(a) The Shareholding pattern of our Company prior to the allotment of Equity Shares under the Composite Scheme of Arrangement is as under:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid-up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of equity shares underlying Depository receipts (VI)	Total number of equity shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of equity shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of equity shares underlying convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2)	Number of Locked in equity shares (XII)		Number of equity shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Number of Voting Rights					Total as a % of (A+B+C)	Number (a)	As a % of total equity shares held (b)	Number (a)		As a % of total equity shares held (b)
								Class e.g.: equity shares	Class e.g.: Others	Total								
(A)	Promoter and Promoter Group	7*	2,500**	-	-	2,500	100.00	2,500	-	2,500	100.00	-	-	-	-	-	-	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	equity shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	equity shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total (A+B+C)</b>	<b>7</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>100.00</b>	<b>2,500</b>	<b>-</b>	<b>2,500</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

\* Includes H Lakshmanan, K Gopala Desikan, Vivek Joshi, N Srinivasa Ramanujam, R Raja Prakash and K S Srinivasan, who hold equity shares as nominees of TVS Holdings Limited (formerly known as Sundaram - Clayton Limited), which was the beneficial owner of such shares.

\*\* 2,494 equity shares are held by TVS Holdings Limited (formerly known as Sundaram - Clayton Limited) and one share each was held by H Lakshmanan, K Gopala Desikan, Vivek Joshi, N Srinivasa Ramanujam, R Raja Prakash and K S Srinivasan, as nominees on behalf of TVS Holdings Limited (formerly known as Sundaram - Clayton Limited), which was the beneficial owner of such equity shares.

(b) The Shareholding pattern of our Company post allotment of Equity Shares under the Composite Scheme of Arrangement is as under:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of fully paid-up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of Equity Shares underlying Depository receipts (VI)	Total number of Equity Shares held (VII) = (IV) + (V) + (VI)	Shareholding as a % of total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Number of Equity Shares Underlying Outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)	
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Equity Shares held (b)	Number (a)	As a % of total Shares held (b)		
								Class e.g.: Equity Shares	Class e.g.: Others									Total
(A)	Promoter and Promoter Group	6	1,50,63,398	-	-	1,50,63,398	74.45	1,50,63,398	-	1,50,63,398	74.45	-	-	-	-	-	-	1,50,63,398
(B)	Public	22,185	51,68,706	-	-	51,68,706	25.55	51,68,706	-	51,68,706	25.55	-	-	-	-	-	-	51,68,706
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Equity Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Equity Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>22,191</b>	<b>2,02,32,104*</b>	-	-	<b>2,02,32,104</b>	<b>100.00</b>	<b>2,02,32,104</b>	-	<b>2,02,32,104</b>	<b>100.00</b>	-	-	-	-	-	-	<b>2,02,32,104</b>

\* Allotment of 2,02,32,104 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.

6. **Other details of Shareholding of our Company**

(a) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, as of two years prior to date of this Information Memorandum:

S. No.	Name of the Shareholder (M/s.)	Number of equity shares held	% of the pre-Scheme equity share capital
1.	TVS Credit Services Limited*	2,500*	100.00
	<b>Total</b>	<b>2,500</b>	<b>100.00</b>

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

(b) Set forth below is a list of Shareholders holding 1% or more of the paid-up share capital of our Company, as of one year prior to date of this Information Memorandum:

S. No.	Name of the Shareholder (M/s.)	Number of equity shares held	% of the pre-Scheme equity share capital
1.	TVS Holdings Limited (formerly known as Sundaram - Clayton Limited)	2,500*	100.00
	<b>Total</b>	<b>2,500</b>	<b>100.00</b>

\* 2,494 equity shares were held by TVS Holdings Limited (formerly known as Sundaram - Clayton Limited) and one equity share each was held by H Lakshmanan, K Gopala Desikan, Vivek Joshi, N Srinivasa Ramanujam, R Raja Prakash and K S Srinivasan as nominees on behalf of TVS Holdings Limited (formerly known as Sundaram - Clayton Limited), which was the beneficial owner of such equity shares.

(c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital and Preference Share capital of our Company, as of 10 days prior to date of this Information Memorandum:

S. No.	Name of the Shareholder (M/s.)	Number of Equity Shares Held	% of the post-Scheme Equity Share capital
1.	VS Trust (Mr. Venu Srinivasan, Trustee)	1,03,23,122	51.02
2.	Venu Srinivasan	23,82,847	11.78
3.	Sundaram Finance Holdings Limited	15,14,378	7.49
4.	Srinivasan Trust (VS Trustee Private limited, Trustee)	6,20,265	3.07
5.	ICICI Prudential Mutual Fund	5,42,207	2.68
6.	Aditya Birla Sun Life Mutual Fund	5,26,467	2.60
7.	SBI Mutual Fund	3,53,619	1.75
	<b>Total</b>	<b>1,62,62,905</b>	<b>80.39</b>

S. No.	Name of the Shareholder (M/s.)	Number of Preference Shares Held	% of the post-Scheme Preference Share capital
1.	Sundaram Finance Holdings Limited	1,75,667	20.12
2.	Aditya Birla Sun Life Mutual Fund	88,060	10.09
3.	Govindlal M Parikh	53,114	6.08
4.	Nihar Nandan Nilekani	43,000	4.93
5.	ICICI Prudential Life Insurance Company Limited	38,106	4.36
6.	ICICI Prudential Mutual Fund	37,622	4.31
7.	Nippon Life India Mutual Fund	34,747	3.98
8.	SBI Multi Asset Allocation Fund	29,012	3.32
9.	Mansan Investments Private Limited	27,118	3.11
10.	Sundaram Mutual Fund	26,748	3.06
11.	Srinivasan Trust (VS Trustee Private Limited, Trustee)	19,145	2.19
12.	Dr. Lakshmi Venu	19,145	2.19
13.	Concatenate Advest Advisory Private Limited	14,643	1.68
14.	Workspace Office Solutions Private Limited	10,099	1.16
15.	Beacon Trusteeship Limited	8,697	1.00

16.	Nalini Sekhsaria	6,728	0.77
17.	Mallika Srinivasan	6,698	0.77
18.	Sandhya G Parikh	5,681	0.65
19.	Chinmay G Parikh	5,228	0.60
20.	Vijaya Srinivasan	5,126	0.59
21.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	4,469	0.51
22.	Emerging Markets Core Equity Portfolio	2,138	0.24
23.	360 One Multi-Strategy Fund	2,067	0.24
24.	SPS Finquest Limited	2,008	0.23
25.	Anmol Sekhri	1,754	0.20
26.	Ridham N Desai	1,740	0.20
27.	Abu Dhabi Investment Authority	1,301	0.15
28.	Sundaram India Midcap Fund	1,300	0.15
29.	The Emerging Markets Small Cap Series	1,268	0.15
30.	Kishan Gopal Mohta	1,218	0.14
31.	Shilpa Atul Shah	1,161	0.13
32.	Nozer Jasi Shroff	1,160	0.13
33.	Laxmi K Narayan	1,160	0.13
34.	Ultra Reach Finance Co Limited	1,020	0.12
35.	Deshna Sushil Ajmera	1,000	0.11
36.	State Street Global Small Cap Equity Fund	985	0.11
37.	Brescon Ventures Private Limited	966	0.11
38.	Ishares Core MSCI EM IMI UCITS ETF	932	0.11
39.	Om Prakash Rawat	928	0.11
40.	Rajashekar S Iyer	925	0.11
41.	Jyoni Consultancy Private Limited	881	0.10
42.	Ila Bhanu Vakil	814	0.09
43.	FC Sondhi and Co (India) Private Limited	812	0.09
44.	Integrated Data Management Services Private Limited	812	0.09
45.	Exim Scrips Dealers Pvt Ltd	798	0.09
46.	Subramanian Vairavan	754	0.09
47.	Babukhan Legacy Management LLP	744	0.09
48.	Hansa Manilal Baxi	744	0.09
49.	Gymkhana Partners L.P.	715	0.08
50.	Sundaram Clayton Limited (Unclaimed Suspense Account)	703	0.08
51.	Ishares MSCI India Small-Cap ETF	703	0.08
52.	Govind Parikh Shares and Securities Private Limited	696	0.08
53.	Shreekant Phumbhra	638	0.07
54.	Hemal Niranjana Shah	621	0.07
55.	Rimple Rajesh Gandhi	600	0.07
56.	K Naresh Kumar	593	0.07
57.	Shreekant Varun Phumbhra HUF	580	0.07
58.	Harsha Venkatesh	580	0.07
59.	Anmol Sekhri Consultants Private Limited	565	0.06
60.	Venkatasubramaniam Shankar Srinivasan	559	0.06
61.	Arun Nahar	522	0.06
62.	Amit K Parikh	517	0.06
63.	Nirsau Consultancy LLP	506	0.05
64.	Premcem Gums Private Limited	485	0.05
65.	Arun Vijay Nathani	480	0.05
66.	Eliamma Thomas	478	0.05
67.	Famyshine Private Limited	475	0.05
68.	Raju R. Baxi	474	0.05
<b>Total</b>		<b>7,01,733</b>	<b>80.05</b>

(d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital and Preference Share capital of our Company, as on the date of this Information Memorandum:

S. No.	Name of the Shareholder (M/s.)	Number of Equity Shares Held	% of the post-Scheme Equity Share capital
1.	VS Trust (Mr. Venu Srinivasan, Trustee)	1,03,23,122	51.02

2.	Venu Srinivasan	23,82,847	11.78
3.	Sundaram Finance Holdings Limited	15,14,378	7.49
4.	Srinivasan Trust (VS Trustee Private limited, Trustee)	6,20,265	3.07
5.	ICICI Prudential Mutual Fund	5,42,207	2.68
6.	Aditya Birla Sun Life Mutual Fund	5,26,467	2.60
7.	SBI Mutual Fund	3,53,619	1.75
	<b>Total</b>	<b>1,62,62,905</b>	<b>80.39</b>

S. No.	Name of the Shareholder (M/s.)	Number of Preference Shares Held	% of the post-Scheme Preference Share capital
1.	Sundaram Finance Holdings Limited	1,75,667	20.12
2.	Aditya Birla Sun Life Mutual Fund	88,060	10.09
3.	Govindlal M Parikh	53,114	6.08
4.	Nihar Nandan Nilekani	43,000	4.93
5.	ICICI Prudential Life Insurance Company Limited	38,106	4.36
6.	ICICI Prudential Mutual Fund	37,622	4.31
7.	Nippon Life India Mutual Fund	34,747	3.98
8.	SBI Multi Asset Allocation Fund	29,012	3.32
9.	Mansan Investments Private Limited	27,118	3.11
10.	Sundaram Mutual Fund	26,748	3.06
11.	Srinivasan Trust (VS Trustee Private Limited, Trustee)	19,145	2.19
12.	Dr. Lakshmi Venu	19,145	2.19
13.	Concatenate Advest Advisory Private Limited	14,643	1.68
14.	Workspace Office Solutions Private Limited	10,099	1.16
15.	Beacon Trusteeship Limited	8,697	1.00
16.	Nalini Sekhsaria	6,728	0.77
17.	Mallika Srinivasan	6,698	0.77
18.	Sandhya G Parikh	5,681	0.65
19.	Chinmay G Parikh	5,228	0.60
20.	Vijaya Srinivasan	5,126	0.59
21.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	4,469	0.51
22.	Emerging Markets Core Equity Portfolio	2,138	0.24
23.	360 One Multi-Strategy Fund	2,067	0.24
24.	SPS Finquest Limited	2,008	0.23
25.	Anmol Sekhri	1,754	0.20
26.	Ridham N Desai	1,740	0.20
27.	Abu Dhabi Investment Authority	1,301	0.15
28.	Sundaram India Midcap Fund	1,300	0.15
29.	The Emerging Markets Small Cap Series	1,268	0.15
30.	Kishan Gopal Mohta	1,218	0.14
31.	Shilpa Atul Shah	1,161	0.13
32.	Nozer Jasi Shroff	1,160	0.13
33.	Laxmi K Narayan	1,160	0.13
34.	Ultra Reach Finance Co Limited	1,020	0.12
35.	Deshna Sushil Ajmera	1,000	0.11
36.	State Street Global Small Cap Equity Fund	985	0.11
37.	Brescon Ventures Private Limited	966	0.11
38.	Ishares Core MSCI EM IMI UCITS ETF	932	0.11
39.	Om Prakash Rawat	928	0.11
40.	Rajashekar S Iyer	925	0.11
41.	Jyoni Consultancy Private Limited	881	0.10
42.	Ila Bhanu Vakil	814	0.09
43.	FC Sondhi and Co (India) Private Limited	812	0.09
44.	Integrated Data Management Services Private Limited	812	0.09
45.	Exim Scrips Dealers Pvt Ltd	798	0.09
46.	Subramanian Vairavan	754	0.09
47.	Babukhan Legacy Management LLP	744	0.09
48.	Hansa Manilal Baxi	744	0.09
49.	Gymkhana Partners L.P.	715	0.08

50.	Sundaram Clayton Limited (Unclaimed Suspense Account)	703	0.08
51.	Ishares MSCI India Small-Cap ETF	703	0.08
52.	Govind Parikh Shares and Securities Private Limited	696	0.08
53.	Shreekant Phumbhra	638	0.07
54.	Hemal Niranjan Shah	621	0.07
55.	Rimple Rajesh Gandhi	600	0.07
56.	K Naresh Kumar	593	0.07
57.	Shreekant Varun Phumbhra HUF	580	0.07
58.	Harsha Venkatesh	580	0.07
59.	Anmol Sekhri Consultants Private Limited	565	0.06
60.	Venkatasubramaniam Shankar Srinivasan	559	0.06
61.	Arun Nahar	522	0.06
62.	Amit K Parikh	517	0.06
63.	Nirsau Consultancy LLP	506	0.05
64.	Premcem Gums Private Limited	485	0.05
65.	Arun Vijay Nathani	480	0.05
66.	Eliamma Thomas	478	0.05
67.	Famyshine Private Limited	475	0.05
68.	Raju R. Baxi	474	0.05
<b>Total</b>		<b>7,01,733</b>	<b>80.05</b>

7. **Details of Shares held by our Directors, Key Managerial Personnel and Senior Management**

Except as stated below, there are no Directors or Key Managerial Personnel or Senior Management who hold Equity Shares in our Company as on the date of this Information Memorandum:

S. No.	Name of Director or Key Managerial Personnel or Senior Management (M/s.)	Number of Equity Shares	Number of Preference Shares	% of Equity Share capital	% of Preference Share capital
<b>Directors and Key Managerial Personnel</b>					
1.	Venu Srinivasan	23,82,847	-	11.78	-
2.	Dr. Lakshmi Venu	1,65,043	19,145	0.82	2.19
3.	Vivek Shripad Joshi	10	1	Negligible	Negligible
<b>Key Managerial Personnel (who are not Directors of our Company)</b>					
1.	Ajay Kumar	5	-	Negligible	-
2.	P D Dev Kishan	1	-	Negligible	-
<b>Senior Management</b>					
1.	R Venkatesh	2	-	Negligible	-
<b>Total</b>		<b>25,47,908</b>	<b>19,146</b>	<b>12.60</b>	<b>2.19</b>

8. **Shareholding of our Promoters**

a. Equity Share capital build-up of our Promoters

As on the date of this Information Memorandum, our Promoters hold 1,27,05,969 Equity Shares, equivalent to 62.80% of the issued, subscribed and paid-up Equity Share capital of our Company and the members of our Promoter Group (except those named as Promoters) hold 23,57,429 Equity Shares, equivalent to 11.65% of the issued, subscribed and paid-up Equity Share capital of our Company. Together, our Promoters and the remaining members of our Promoter Group hold 1,50,63,398 Equity Shares, equivalent to 74.45% of the issued, subscribed and paid-up Equity Share capital of our Company.

The build-up of the shareholding of our Promoters since incorporation of our Company is set forth in the table below:

Date of allotment/ transfer	Nature of allotment / transfer	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ Transfer Price per Equity Share (₹)	Percentage of the pre-Scheme capital (%)	Percentage of the post-Scheme capital (%)
<b>VS Trust (Mr. Venu Srinivasan, Trustee)</b>							

August 31, 2023	Pursuant to the Composite Scheme of Arrangement	1,03,23,122	Consideration other than cash	5	N.A.	-	51.02
<b>Total</b>		<b>1,03,23,122</b>				<b>NIL</b>	<b>51.02</b>

<b>Venu Srinivasan</b>							
August 31, 2023	Pursuant to the Composite Scheme of Arrangement	23,82,847	Consideration other than cash	5	N.A.	-	11.78
<b>Total</b>		<b>23,82,847</b>				<b>NIL</b>	<b>11.78</b>

As on the date of this Information Memorandum, all of the Equity Shares held by our Promoters are fully paid up. Further, all Equity Shares held by our Promoters are in dematerialized form.

b. Preference Share capital build-up of Promoters

As on the date of this Information Memorandum, our Promoters do not hold Preference Shares and the members of our Promoter Group (except those named as Promoters) hold 2,20,655 Preference Shares, equivalent to 25.27% of the issued, subscribed and paid-up Preference Share capital of our Company.

9. **Details of Equity Shares and Preference Shares held by our Promoters and members of our Promoter Group**

S. No.	Name of person/entity forming part of the Promoter Group (M/s.)	No. of Equity Shares held	No. of Preference Shares held	Percentage of the paid-up Equity Share capital (in %)	Percentage of the paid-up Preference Share capital (in %)
<b>A. Promoters</b>					
1.	VS Trust (Mr. Venu Srinivasan, Trustee)	1,03,23,122	-	51.02	-
2.	Venu Srinivasan	23,82,847	-	11.78	-
3.	T.V. Sundram Iyengar & Sons Private Limited	-	-	-	-
<b>Total (A)</b>		<b>1,27,05,969</b>	<b>-</b>	<b>62.80</b>	<b>-</b>
<b>B. Promoter Group</b>					
1.	Sundaram Finance Holdings Limited	15,14,378	1,75,667	7.49	20.12
2.	Srinivasan Trust (VS Trustee Private Limited, Trustee)	6,20,265	19,145	3.06	2.19
3.	Lakshmi Venu	1,65,043	19,145	0.82	2.19
4.	Mallika Srinivasan	57,743	6,698	0.28	0.77
5.	Sudarshan Venu	-	-	-	-
6.	VS Trustee Private Limited	-	-	-	-
7.	VS PTC Trust (Mr. Venu Srinivasan, Trustee)	-	-	-	-
8.	VEE ESS Trading Private Limited	-	-	-	-
9.	VEE ESS Trust (Venu Srinivasan Trustee Private Limited, Trustee)	-	-	-	-
10.	Srinivasan Venu Trust (Mr. Venu Srinivasan, Trustee)	-	-	-	-
11.	Venu Srinivasan Trustee Private Limited	-	-	-	-
12.	S. Venu Trustee Private Limited	-	-	-	-
13.	Srinivasan Trading Private Limited	-	-	-	-
<b>Total (B)</b>		<b>23,57,429</b>	<b>2,20,655</b>	<b>11.65</b>	<b>25.27</b>

S. No.	Name of person/entity forming part of the Promoter Group (M/s.)	No. of Equity Shares held	No. of Preference Shares held	Percentage of the paid-up Equity Share capital (in %)	Percentage of the paid-up Preference Share capital (in %)
<b>Total</b>		<b>1,50,63,398</b>	<b>2,20,655</b>	<b>74.45</b>	<b>25.27</b>

10. **Details of Equity Shares held in our Company by the directors of our Corporate Promoter**

S. No.	Name of person	No. of Equity Shares held	No. of Preference Shares held	Percentage of the paid-up Equity Share capital (in %)	Percentage of the paid-up Preference Share capital (in %)
<b>A</b>	<b>T.V. Sundram Iyengar &amp; Sons Private Limited</b>				
	<b>Director</b>				
1.	Mr. Venu Srinivasan	23,82,847	-	11.78	-
	<b>Total (A)</b>	<b>23,82,847</b>	<b>-</b>	<b>11.78</b>	<b>-</b>

11. **Details of Pledged Shares**

As on the date of this Information Memorandum, none of the Equity Shares or the Preference Shares held by our Promoters are pledged.

12. Except for the Equity Shares allotted under the Composite Scheme of Arrangement, members of the Promoter Group, the Promoters, directors of our Corporate Promoter, the Directors of our Company and their relatives have not purchased or sold any Equity Shares during the period of six months immediately preceding the date of this Information Memorandum.

13. **Employee stock option schemes of our Company**

Our Company does not have any employee stock option scheme (“**ESOP**”) / employee stock purchase scheme (“**ESPS**”) for our employees. As and when options are granted to our employees under an ESOP or ESPS, our Company shall comply with the Securities and Exchange Board of India (Share Based Employee benefits and Sweat Equity) Regulations, 2021.

14. Except to the extent required to comply with applicable law, our Company, presently, does not intend nor does it propose to alter its capital structure for a period of 6 (six) months from the date of this Information Memorandum, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures, or other arrangements (including significant project expansion), our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.
15. Our Promoters, directors of our Corporate Promoter, members of our Promoter Group, our Directors and their relatives have not financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of this Information Memorandum.
16. There is no lead manager appointed to the listing of the Equity Shares, thereby the disclosure requirement to disclose the shareholding of the lead manager and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 in our Company is not applicable.
17. As on the date of this Information Memorandum, there are no outstanding warrants, options or convertible securities, including any outstanding warrant or rights to convert debentures, loans, or other instruments into Equity Shares.
18. Except, the allotment of the Equity Shares pursuant to the Composite Scheme of Arrangement, no Equity Shares have been issued pursuant to a scheme approved under Sections 391-394 of the Companies Act, 1956 or Sections 230 to 232 of the Companies Act, 2013.



19. Our Company, our Directors and our Promoters have not entered into any buy-back, standby, or similar arrangements to purchase Equity Shares of our Company from any person, in relation to the proposed listing of the Equity Shares of our Company.
20. There shall be only one denomination of Equity Shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms, specified by SEBI from time to time.
21. No Equity Shares have been acquired by our Promoters, Promoter Group, in the three years preceding the date of this Information Memorandum. Further, there are no Shareholders entitled to the right to nominate directors or any other rights.
22. Our Company has 22,191 Equity Shareholders and 13,881 Preference Shareholders (consolidated based on PAN) as on date of filing of this Information Memorandum.

## SECTION V – ABOUT US

### INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Automotive Casting”, dated September 19, 2023 and released by CRISIL MI&A Research, a division of CRISIL Limited (“CRISIL Report”). The Company has commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the listing of the Equity Shares, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the CRISIL Report. Unless otherwise indicated, all 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 Fiscal Year. All references to years in this section are to calendar years. Any reference to ‘expert’ or ‘experts’ in this section are not ‘Experts’ as defined under Section 2(38) of the Companies Act, 2013 or the U.S. Securities Act.*

#### **An overview:**

##### **Summary**

#### ***Passenger Vehicle and Commercial Vehicle demand to drive growth for automotive castings in Fiscal 2024***

CRISIL MI&A Research expects the Auto-casting industry to record a 5-7% growth in tonnage terms as auto demand is expected to be grow in line with economic growth and in value terms by 4-6% due to decline in realisations. The casting industry is expected to have grown by 18-20% in tonnage terms and 36-38% in value terms in Fiscal 2023 on account of revival in demand across auto segments owing to recovery in economic activities and pent-up demand in CV and PV segments.

Auto demand in the long-term demand (CAGR FY22-27) is expected to grow at a healthy rate of 7-9% in volume terms and by 11-13% in value terms in line with growth in automobile production across segments and movements in commodity prices. In Fiscal 2024, exports are projected to stay flat as the world battles with increasing interest rates and slowing global economies. Exports in Fiscal 2023 are estimated to have grown by 48-50% led by sharp demand from Asian economies, especially with Thailand and China, recovering from Covid-19 slumps.

#### ***Auto casting industry margins to expand in Fiscal 2024 owing to softening input prices***

Operating margins for Fiscal 2024 is expected to expand to ~13-15% owing to expected softening of input prices aided by a drop in Pig iron prices. Pig iron, a key raw material for ferrous casting is expected to see a price correction by (14)-(16) % in Fiscal 2024. While prices for aluminum are seen declining by 11-13% due to softening global demand and cooling commodity cycle. Margins of listed set are expected to have fallen by ~100 bps and reached ~11-13% in Fiscal 2023 owing to higher input costs and partial ability to pass on hikes to customers. Pig Iron prices in Fiscal 2023 are expected to have grown by 24-26% while Aluminum prices increased by 15-17% on-year.

#### ***Financial parameters are expected to improve as demand revives, and utilization levels increase***

Increase in revenue in Fiscal 2023 owing to tonnage and realisation growth will see EBIT expansion in absolute terms which will result in improvement of ROCE and interest coverage for the sector. Increasing demand will lead to improvement in capacity utilisation which coupled with realization growth will lead to improvement in asset turnover ratio of the sector.

#### ***EVs remain a threat in the long run***

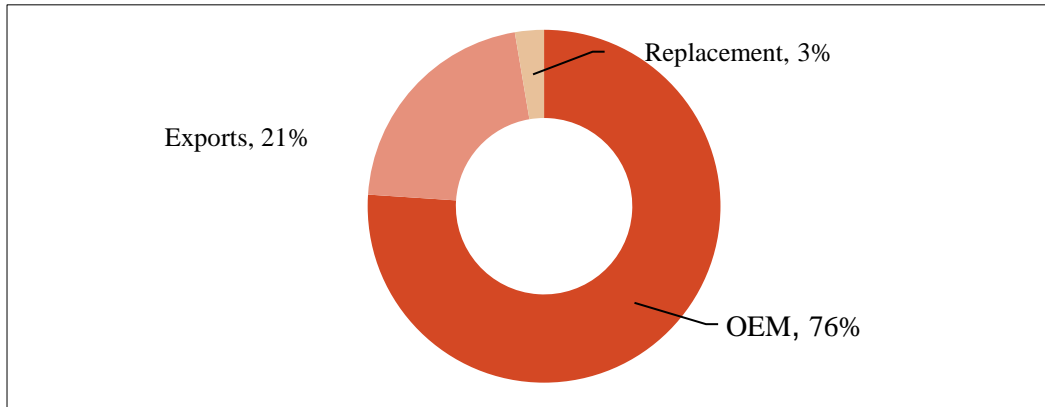
We expect no significant impact of EVs in Fiscal 2023 as EV sales are expected to be low. However, industry demand growth to reduce by 1-2% CAGR in the next five years due to EVs as cylinder heads, cylinder blocks and gear housing will no longer be needed. EV adoption will largely be seen in two and three wheelers and automotive casting demand from these segments will get impacted. Auto casting players will need to move into making newer products like battery and stator housing for EVs to minimize the impact.

**Demand & Supply: Current market size\***

The automobile industry is the biggest consumer of castings, with a 30% share of demand. While automotive castings are used in several sub-systems, engine heads and blocks constitute nearly 40% share of castings used in a vehicle. Besides, there are transmission housings, pistons, crank covers, clutch parts, axles, chassis parts, gear box and wheel parts.

\* For the purpose of analysis, we have estimated demand for engine heads, engine blocks and gear box housings, which together comprise 40-45% market share.

Direct demand from OEMs contributes nearly 76% of automobile casting demand Revenue distribution (FY 22P)- Rs. 317 bn



Source: CRISIL MI&A Research

Demand from automobile castings comes from direct demand from automobile OEMs contributing more than three fourths of demand. Exports contribute nearly 20-22% of demand. Most Indian auto casting players cater to the US and European markets supplying to commercial vehicle players. Export share has been picking up continued sales of class 8 trucks in USA and Europe.

However, as casted products used in automobile goes largely towards engine and transmission systems, demand for such products in the replacement markets is negligible. In fact, replacement market for castings is ~2-4% compared to auto components industry where replacement market is 23% of production. Despite the aftermarket's minimal share, tier-II and -III. Players who mainly manufacture brake shoes, clutch components and chassis parts have a larger share in the aftermarket, as their products are replaced faster. Tier-I players have minimal presence in the replacement market.

Automotive castings can be divided into two segments:

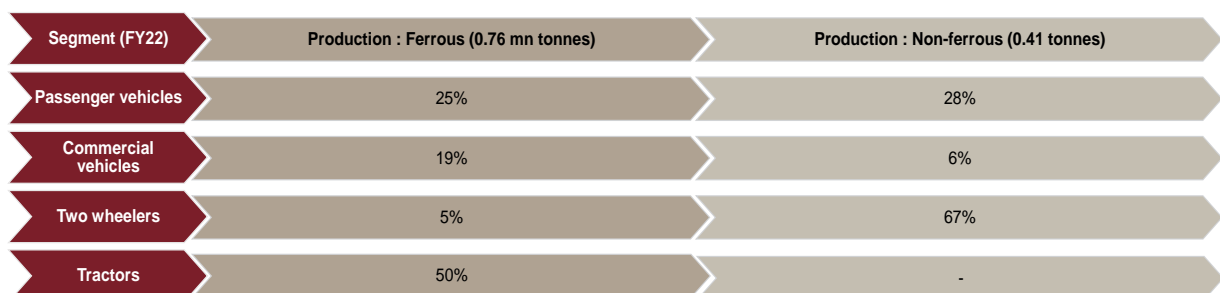
1. Ferrous castings which involve use of pig iron
2. Non-Ferrous casting which involves use of aluminum

**Ferrous castings hold higher share in volume, non-ferrous in value**

As of Fiscal 2022, in tonnage terms, ferrous casting accounts for 65% of share total automotive casting demand from OEMs with non-ferrous casting contributing the rest. In value terms, the share of ferrous casting drops to 37% of OEM demand.

- Two-wheelers and passenger vehicles are primary users of non-ferrous castings
- Tractors and commercial vehicles majorly drive demand for ferrous castings

**Segment-wise OEM volume distribution (FY 22)**



MT: Million tonnes; OEM: Original equipment manufacturer  
Source: CRISIL MI&A Research

### Demand & Supply: Outlook\*

\* Analysis covers demand estimation for engine heads, engine blocks and gear-box housings.

#### Pent up demand in PV and CV to support the growth for FY24

CRISIL MI&A Research expects the Auto-casting industry to record a 5-7% on-year growth in tonnage terms in line with economic growth while recording a lower 4-6% growth in value on account of cooling prices. This is post a sharp growth achieved in Fiscal 2023 on account of revival in demand across auto segments owing to recovery in economic activities and pent-up demand in CV and PV segments. Auto casting demand is estimated to have grown by 18-20% in tonnage terms and 36-38% in value terms in Fiscal 2023. Long term demand (CAGR FY22-27) is expected to grow at a healthy rate of 7-9% in volume terms and by 11-13% in value terms in line with growth in automobile production across segments and movements in commodity prices.

Exports growth in Fiscal 2023 to be value led owing to higher raw material prices, expected to grow by 48-50% as exports are expected to witness sharp growth led by strong demand from Asian territories especially Thailand and China. The exports demand YTD April-January over last Fiscal has witnessed a healthy 49% growth. However, in Fiscal 2024 we are expecting the exports to stay flat as the world battles with increasing interest rates and slowing global economies.

Long term demand (CAGR FY22-27) is expected to grow at a healthy rate of 7-9% in volume terms and by 10-12% in value terms in line with growth in automobile production across segments and movement in commodity prices.

#### Commercial Vehicle and Passenger vehicle production to improve in Fiscal 2024, driving growth for auto-casting demand

FY22 Production (in million units)	FY17-22 CAGR	FY22	FY23	FY24 P
(3.6)	-2%	19%	27%	5-7%
(17.8)	-1%	-4%	10%	6-8%
(0.8)	-0.1%	29%	36%	5-7%
(0.9)	8%	0%	11%	3-5%

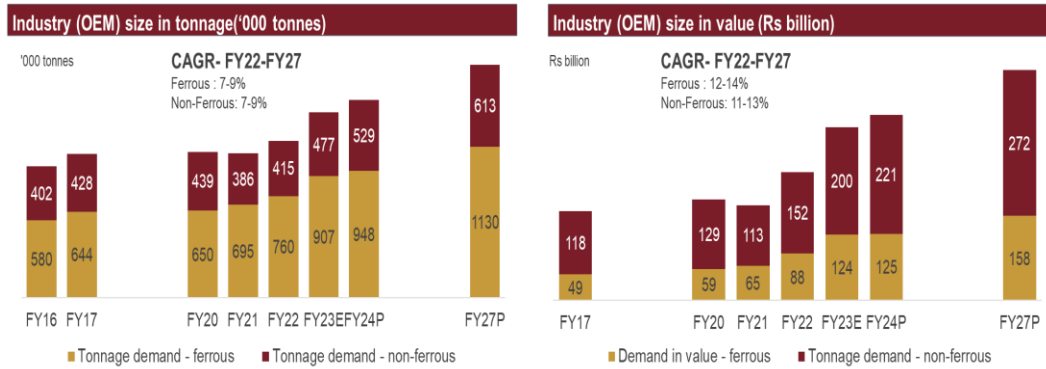
Note: P: Projected

Source: Society of Indian Automobile Manufacturers, CRISIL MI&A Research

- Passenger Vehicles: In Fiscal 2024, the PV industry's growth is expected to moderate on account of a high base effect from a significant 27% growth in Fiscal 2023 (compared to 13% in Fiscal 2022). Nonetheless, the industry is projected to grow by 6-8% in Fiscal 2024, supported by a healthy order book, new UV segment launches, and strong sales from certain existing models.
- Two-wheelers: Two-wheeler volumes are projected to improve by ~9-11% in Fiscal 2024 driven by incomes catching up with price hikes, recovering rural sentiments driving demand for motorcycles while replacement demand helps both, scooters as well as motorcycles. Volumes improved by ~19% on year in Fiscal 2023 on a low base of Fiscal 2022 due to improved demand sentiments and increasing EV penetration. Normal monsoons are expected to support demand for motorcycles segment.
- Commercial Vehicles: In Fiscal 2024, the CV industry is projected to surpass pre-pandemic levels. Anticipated growth of 4-6% is supported by government spending and replacement demand as transporter profitability improves supported by stable diesel prices.

- Tractors: CRISIL MI&A Research forecasts tractor demand to decline by 2-4% on year in Fiscal 2024 amid slower retail momentum due to lower rabi profitability and elevated inventory levels, building upon a 12% year-on-year increase in Fiscal Year 2023. Pick-up in commercial activities and anticipated increase in replacement demand to prevent further decline in sales in the Fiscal.

**Commercial Vehicle and Passenger vehicle production to drive sales in Fiscal 2024**



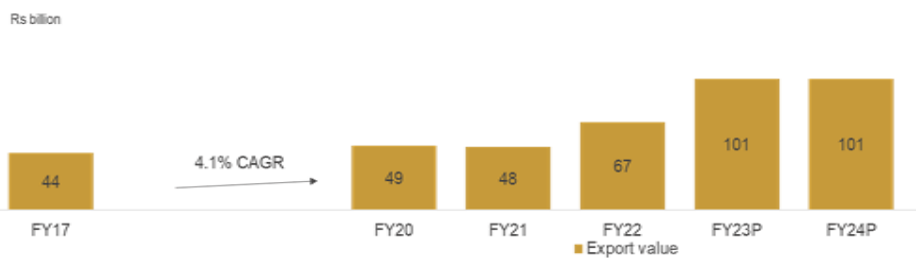
Note: P: Projected, E- Estimated

Source: CRISIL MI&A Research

In the Fiscal Year 2023, the automobile casting sector is expected to have recorded healthy on-year growth both in terms of volume and value-based demand from Original Equipment Manufacturers (OEMs). It is expected that volume-based demand would have surged by 17-19%, attributable to the resurgence in production for Commercial Vehicles (CVs), Two-wheelers, and Passenger Vehicles (PVs). This resurgence reflected the broader recovery and growth trends within the automotive industry. In Fiscal 2024, positive growth momentum is expected to continue, albeit at a more moderate pace, with a projected growth rate of 5-7%. This aligns with the overarching sentiment of the automotive sector, which is anticipated to expand in tandem with broader economic growth. Furthermore, the value-based demand for automobile casting from OEMs, anticipated to have grown a robust 34-36% in Fiscal Year 2023, primarily driven by higher realizations. However, Fiscal Year 2024 is expected to see a gradual moderation in value-based growth to 4-6%. This deceleration can be attributed to the projected stabilization of raw material prices, which may lead to a cooling effect on realizations. Overall, these projections indicate a resilient and adaptable automobile casting industry responding to the dynamic demands of the automotive market.

**Exports expected to be flat in Fiscal 2024 on account of weak demand from USA & Europe**

Exports for the Auto-casting sector which recorded a 4.1% CAGR over Fiscals 2017 to 2020 shot up in Fiscal 2022 aided by the China+1 strategy coupled with transition to Electric vehicles in the developed countries which has led to closure of casting units and a shift to demand for casting products from India. Exports in Fiscal 2023 are expected to have increased by 48-50% on-year aided by the aforementioned points. However, exports in Fiscal 2024 are expected to be flat on account of weak demand from the European Union and USA due to a rising interest rate scenario.



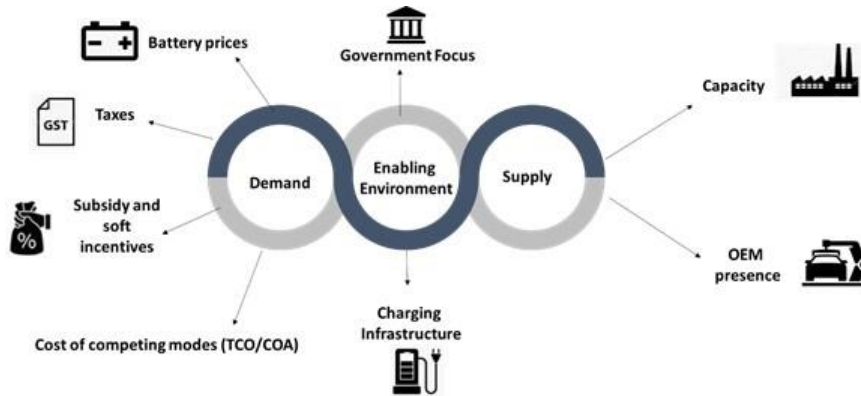
Source: DGFT, CRISIL MI&A Research

## Demand & Supply: Impact of electric vehicles

CRISIL Research believes that pick-up in EV adoption will happen at much faster pace over the next 5 years, which will have a positive impact for auto component players. It will be led by two-wheeler and three-wheeler segments. With the pandemic now in the rear-view, two and three-wheeler segments in India have been witnessing quick adoption of electric vehicles due to price parity on total ownership basis. E-2W is witnessing increased traction due to skyrocketing petrol prices, government incentives and new affordable product launches. Auto component manufacturers are witnessing surge in orders of electric vehicle parts. CRISIL Research has analyzed electric vehicle demand considering three factors – demand assessment, supply availability and enabling environment.

### *EV assessment framework*

Source: CRISIL MI&A Research



### *EV adoption in FY28 to be led by two-wheeler and three-wheeler segments*

Source: CRISIL MI&A Research

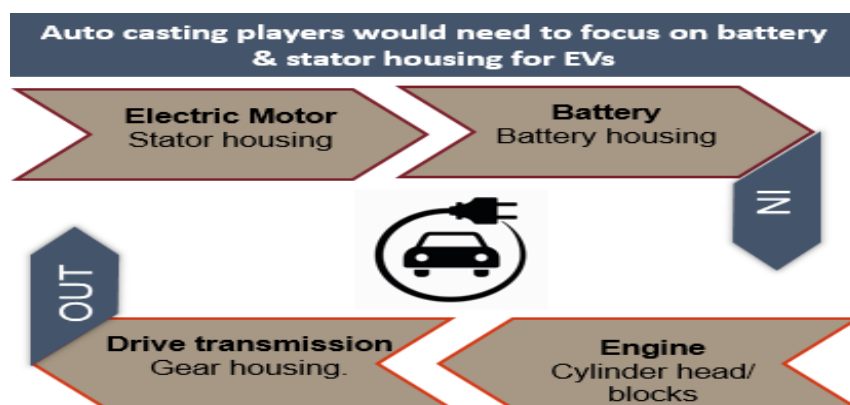
EV adoption in India over the next five years is expected to be largely driven by the two and three-wheeler segments. Electric two-wheelers are seen to have lower cost of ownership and acquisition compared with ICE scooters which account for over 30% of the two-wheeler industry. This segment is expected to be the first one to migrate to the electric platform. Electric three-wheelers also have a lower cost of ownership and acquisition compared to their CNG and diesel counterparts. The lower cost for electric three-wheelers along with government push for this segment is expected to aid in a healthy adoption of EVs in this segment by Fiscal 2028. The EV adoption in the car segment will be led by cab aggregators. The reason for this is that taxis are better placed to reap the benefits of lower cost of operations as they run about 50,000-70,000 km/year, much higher than personal cars that run only ~10,000 km/year. In the bus segment, intra-city buses of state transport undertakings are likely to be the early adopters.

EV adoption is set to face a hiccup in Fiscal 2025 on account of exhaustion of the FAME subsidy in Fiscal 2024. Exhaustion of subsidy will push up TCA in the near term. While two and three wheelers will continue to make financial sense on a total cost of ownership, uptick in cost of acquisition will impact vehicle penetration.

### *Automotive casting players need to adapt themselves for electric mobility*

Proliferation of electric vehicles poses a threat to the traditional Internal Combustion Engines (ICE). Major casted engine components such as cylinder heads, cylinder blocks, gear housing (these comprise around 50% of the casted components) run the risk of becoming obsolete.

Auto casting players would need to focus on newer components for EVs



Source: CRISIL MI&A Research

In fact, industry demand growth to reduce by ~1% CAGR in the next five years due to EVs as cylinder heads, cylinder blocks and gear housing will no longer be needed. Players would need to focus on newer products like stator housing, battery housing to offset the loss in demand for traditional casted products once EV demand pick up,

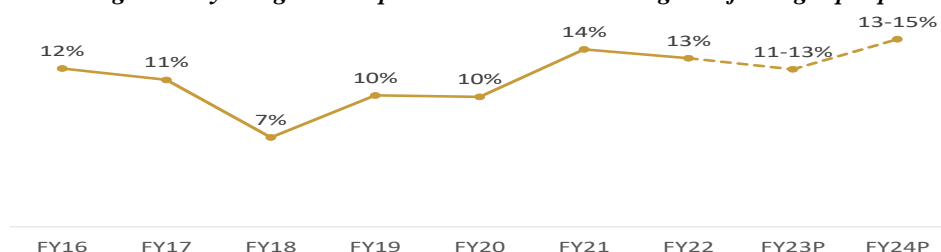
Keeping in mind this imminent threat, auto casting players are also adopting the following approaches to offset the reduction in ICE component demand.

- Strategic investments in foreign companies which have existing electric powertrain solutions
- Setting up plants and expanding capacities to develop lightweight components for two wheelers, passenger vehicles, hybrid vehicles and electric vehicles.

### Profitability: Outlook on profitability

While auto castings manufacturers ink long-term contracts with original equipment manufacturers (OEMs) that include raw material price escalation clauses, their profitability is vulnerable to the OEM's production cycles. While a high-growth year allows auto castings manufacturers to pass on higher raw material prices by hiking prices, a downturn may force price cuts but even then, players are only able to partially pass through the changes in prices.

**Auto casting industry margins to expand in Fiscal 2024 owing to softening input prices.**

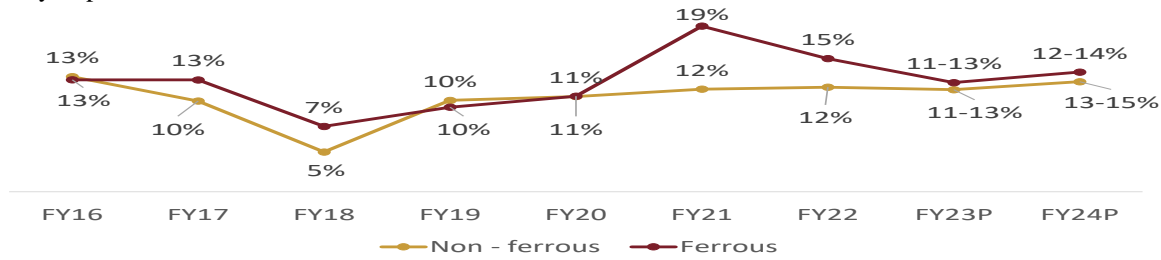


Note- Companies Considered - Kirloskar Ferrous, Nelcast Ltd., Porwal Auto Components Ltd., Alicon Castalloy. Sundaram-Clayton, Investment and precision castparts and Rico industries.

Fiscal 2024 is expected to witness margin expansion to 13-15%, up by ~200 bps on year, owing to expected softening of input prices and uptick in demand leading to improved capacity utilisations. Margins of listed set are expected to have fallen by ~100 bps in Fiscal 2023 owing to higher input costs and partial ability to pass on hikes to customers. Margins of both, ferrous and non-ferrous players are expected to improve in Fiscal 2024 on account of softening raw material prices. Margins are expected to decline in Fiscal 2020 on account of lower capacity utilization and lower average realization despite falling pig iron and aluminum prices. In Fiscal 2021, improving capacity utilization to aid margins for both ferrous and non-ferrous players.

### Operating Margins of Ferrous and Non-Ferrous Players

Non-ferrous player margins are expected to be relatively stable as compared to ferrous players owing to their ability to pass on hikes



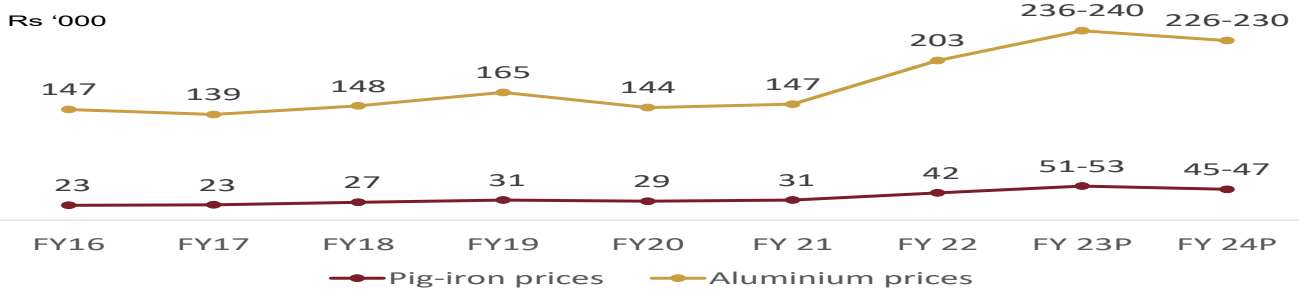
Note: Ferrous players include, Kirloskar Ferrous and Nelcast Ltd., Porwal Auto Components Ltd., Non-ferrous players include Alicon Castalloy. and Sundaram-Clayton.

- Margins in Fiscal 2024 expected to rise across ferrous and non-ferrous segments as prices of inputs decline
- Non-ferrous players generally have a greater ability to pass-on volatility in input prices to their customers
- Margins of ferrous players are expected have witnessed a shaper decline in Fiscal 2023 as compared to non-ferrous owing to shaper increase in pig-iron prices

The realisation of automotive casting manufacturers is largely linked to the price movement of raw materials. While pig iron, iron scrap, and steel scrap are major raw materials for ferrous castings, aluminum is the key input for non-ferrous castings.

Indian foundries meet most of their raw material requirements indigenously, while importing specific grades required for selected casted products. Realization from non-ferrous castings is 3-4 times higher than from ferrous castings, given the difference in the quality of inputs used and the level of value addition.

### Raw material cost fluctuations impact realization



Source: CRISIL MI&A Research

- In Fiscal 2023 pig iron and aluminum prices are expected to increase by 24-26% and 15-17% respectively on an already high base of Fiscal 2022
- Fiscal 2024 is expected to see softening of pig iron and aluminum prices by (14)-(16) % and (11)-(13) % respective

### Overview: Products and services

#### Casting is classified into ferrous and non-ferrous castings

Castings are classified on the basis of the manufacturing process and the metal used as ferrous and non-ferrous castings. The main ferrous materials used are gray iron, ductile iron, malleable iron, compacted graphite iron and steel. Aluminum is the major non-ferrous metal used. Facilities where castings are manufactured are called foundries.



## Classification

Properties	Gray Iron	Ductile Iron	Compacted graphite iron (CGI)	Steel	Aluminium
Castability	↑	↑	↑	↓	↑
Ease of Machining	↑	↑	↓	↔	↓
Strength to weight	↑	↑	↑	↓	↑
Wear resistance	↓	↑	↑	↑	↔
Production cost	↑	↔	↓	↔	↓
Applications	Cylinder head, Cylinder block, Intake manifold, Exhaust manifold, Brake drum, Gear box and differential housing	Camshaft, Crankshaft	Cylinder head, Cylinder block	Chassis componenets, Drive train components	Cylinder head, Cylinder block, Intake manifold, Exhaust manifold, Suspension components, Front knuckles
Mainly used in segemnts	Commercial vehicles, Utility vehicles, Tractors	Across segments	Commercial vehicles, Utility vehicles, Tractors	Across segments	Two-wheelers, Passenger cars

Source: CRISIL MI&A Research

## Different processes for manufacturing castings

Sand castings and die-castings technologies are the more prevalent processes used in the automotive castings industry. Although casting processes are common for different kinds of metal castings, the capacity set up for manufacturing ferrous castings cannot be used to manufacture non-ferrous castings.

### Casting methods

#### Expendable mold casting:

##### Temporary non-reusable molds



Sand casting

Plaster mold casting

Shell molding

Investment casting

#### Non-expendable mold casting:

##### Re-usable molds



Permanent mold casting

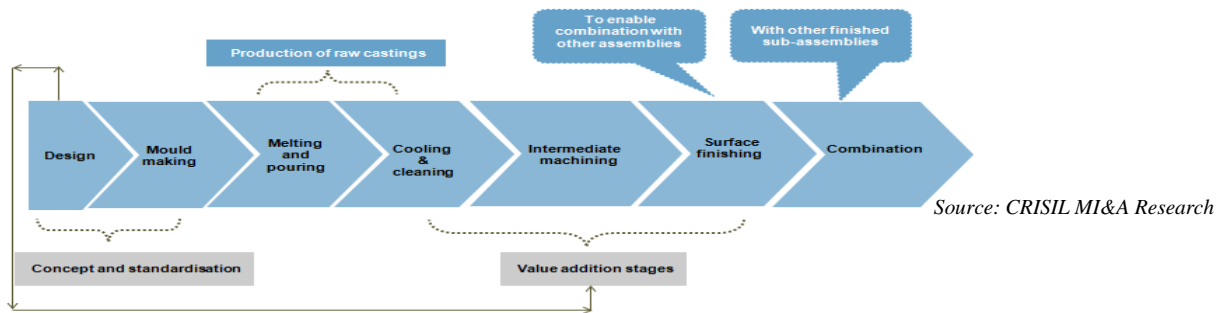
Die casting

Centrifugal casting

Source: CRISIL MI&A Research

- Sand casting: This is one of the oldest methods for casting metals. It is widely used for applications in automotive metal casting.
- Shell mold casting: This method is a variant of sand casting. It gives a better surface finish and is used in applications such as connecting rods, gear housings, etc.
- Plaster mold casting - This process uses molds made of plaster of Paris
- Investment casting: This method is used to produce castings that have intricate shapes, for e.g., gears, brackets and levers. This method is not widely employed in the automotive metal castings industry.
- Permanent mold casting: This process is used for high volume manufacturing, as molds are reusable and can be utilized for a number of repetitions. Usually, gravity is used to fill the molds. This method is more suitable for high-volume production.
- Die casting: Under this process, molten metal is poured in the mold cavities under pressure. Die-casting is used in applications that need a high degree of uniformity, surface finish and dimensional accuracy. Some applications where die-casting is used as a manufacturing process are cylinder blocks, crankcases and oil pump housings.
- Centrifugal casting: Under this method, molten metal is poured in the mold and allowed to solidify while the mold is rotating.

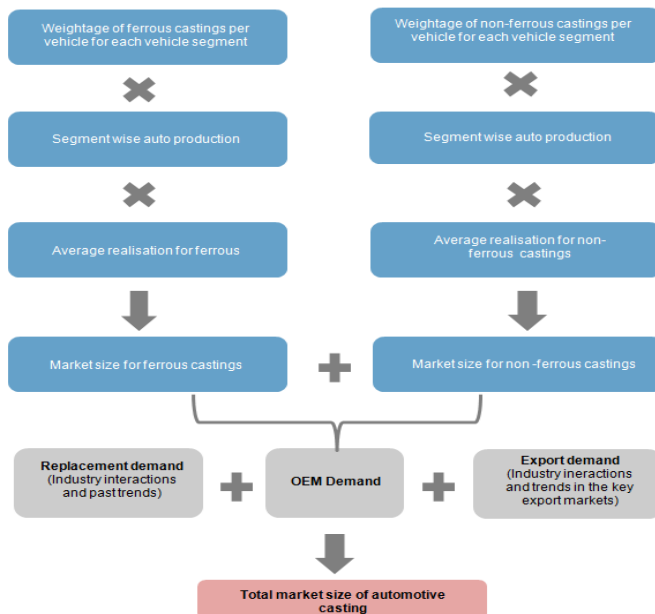
## Typical casting procedure



- Design: The customer provides the design of the casting required. The foundry, sometimes, gives inputs for changes required to make the manufacturing process more efficient.
- Pattern making: This includes creating patterns for making moulds and cores. Patternmaking involves significant capital investment and inputs in terms of skilled labour. Some foundries have in-house pattern-making facilities while others prefer to outsource the services.
- Mould making: The practice of making moulds from patterns begins once the patterns are made. This is an important step as the quality of the mould defines the quality of the castings produced.
- Metal melting and pouring: This step involves using a furnace to melt the required metal and then pouring the molten feed into the mould.
- Initial cleaning: On solidification of the molten metal, moulds and cores are separated from the solid casting; various processes like shot blasting and fettling clean the casting.
- Conversion to rough castings: Castings, after initial cleaning, have irregularities, which are machined away by cutting and grinding to produce a rough casting.
- Final machining and processing: Although some rough castings can be used directly, most require extensive machining to be converted into finished products. This is either done near the customer's assembly facility, or the castings are shipped as finished products. Shipping finished castings has gained prominence with the increasing need to improve average realizations and move up the value chain

## Overview: Methodology

### Methodology to estimate market size



Source: CRISIL MI&A Research

## OUR BUSINESS

*Some of the information in the following section, specifically the information in relation to our plans and strategies, contain certain forward looking statements that involve risks and uncertainties. You should read “Forward Looking Statements” on page 4 for a discussion of risks and uncertainties related to those statements and also “Risk Factors” on page 12 for a discussion of certain factors that may affect our business, financial condition, cash flows or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

### ***Our Vision***

Our Company’s vision is to accelerate adoption of sustainable light alloy solutions, globally.

### ***Overview***

Our Company is part of the TVS - Sundaram Clayton group and is an automotive component manufacturing company in India. Our automotive components business comprises a diverse product offering catering to automotive and non-automotive segments, both in India and globally. The Company is also engaged in business of precision aluminium cast products and production of high-pressure die-casting (“**HPDC**”), low-pressure die-casting (“**LPDC**”) and gravity die-castings (“**GDC**”) for two-wheelers, passenger vehicles, LCVs and HCVs. Our manufacturing facilities have equipment for production, testing and quality assurance to produce a wide variety of aluminium castings used in the various product segments. The Company’s facilities can produce GDC ranging in weight from 250g to 24 kg, HPDC ranging in weight from 100g to 25 kg and LPDC ranging in weight from 2.5 kg to 18 kgs. This has been made possible with infrastructure that includes in-house alloying, 97 PDC machines (of locking force ranging from 250 tonnes to 3,200 tonnes), 72 GDC stations, 23 LPDC machines and 554 machining centres. The Company supplies a variety of machined castings to leading domestic and global vehicle OEMs and Tier 1 customers, who are leading manufacturers of engines, passenger vehicles (2W & 4W) and light and heavy vehicles. The Company delivers automotive component products to customers in more than seven countries including the United States, Brazil, Sweden, Germany, France, UK and Japan amongst others. The Company has five manufacturing plants.

The Company is headquartered at Chennai. Our Company recorded a consolidated income of ₹2,062.98 crore in Fiscal 2023 compared to ₹1,696.03 crore in Fiscal 2022. We had consolidated operating EBITDA of ₹124.37 crore and ₹189.64 crore for Fiscal 2023 and Fiscal 2022, respectively.

### **Our Strengths**

#### ***Long-standing history and track record of the Demerged Undertaking***

Due to the long-standing history and track record of the Demerged Undertaking in the automotive components industry, our Company enjoys strong brand recognition with our global and domestic customers. In addition, our Company has international presence due to our exports to leading OEMs and Tier 1 customers.

#### ***Our diverse products portfolio***

Our Company manufactures machined aluminium castings required for two-wheelers, passenger vehicles, and the LCV and HCV segments. Our Company has the capability to produce HPDC, LPDC and GDC, which makes us a one stop shop for all aluminium casting customers. Our Company has four manufacturing facilities in India and one in United States of America (USA) with an aggregate annual casting capacity of over 85,000 metric tonnes. Our Company supplies machined castings to customers based on their requirements which is an important value added process in the casting industry. In view of stricter emission norms and improved fuel efficiency, the industry resorts to light weight vehicles. Aluminium being light in weight, it is one of the preferred metal for automotive applications and has thereby gained significant importance. Further, our research and development department contribute in developing lighter weight alternatives to aluminium as part of our product offering to customers.

#### ***Strong Customer Relationships***

Our Company has a strong and well-established relationship with our customers. Our customer base includes global and Indian OEMs and Tier 1 customers such as leading manufacturers of engines, trucks, cars and two

wheelers. Our Company provides inputs based on our expertise in die casting process to our customers in their product development thereby enabling the resultant products meet technical and quality specifications of the customers. Our OEMs and Tier 1 customers engage us from the inception of product development and design owing of our research and development capabilities. This association in the product development process ensures repeat orders from existing customers.

### ***Research and Development and Technological Capabilities***

Our Company places strong emphasis on research and development to enhance our product range and improving our manufacturing processes both independently and through co-operation with our customers. Our Company has developed strong in-house die and process design capabilities, which allows us to service our customers more effectively and in a timely manner. Our research and development department 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. Our Company has two dedicated research and development centres in Padi and Hosur, both in Tamil Nadu and are approved by the Government of India's Department of Scientific and Industrial Research. Our Company has a centre of excellence for lightweighting at IIT Madras Research Park. This centre focuses on light weighting solutions through alloy development for structural and alternate powertrain parts and additive manufacturing technology. Our Company also has a design centre near Stuttgart, Germany to leverage the proximity to global OEMs R&D centres to offer light weighting solutions and co-develop products with them.

### **Our Strategies**

#### ***Continue to be an end-to-end solutions provider***

Our Company shall continue to engage with our customers from their early product design stage to the development and supply of finished products. Our Company intends to be the total solution provider for light metal castings and has embarked upon building the technology to produce magnesium alloy castings, semi-solid aluminium forming and liquid forgings to serve the future needs of the automotive industry by staying ahead. Our Company intends to be the end-to-end solutions provider for light metal castings and has embarked upon building the technology to produce alternate powertrain or EV parts apart from powertrain parts and structural parts.

#### ***Expanding our customer base***

Currently, a few customers contribute towards a significant portion of our revenues. Our Company intends to diversify and grow our customer base and reduce concentration of revenue. Our Company has established an overseas office which gives us the opportunity to take advantage of existing relationships and create new relationships with customers globally. Our Company intends to develop our relationships with existing and potential OEMs in the HCV, LCV and passenger vehicle segments to cater to their new product requirements. Our Company will continue to participate in international trade shows and events to showcase and promote our capabilities.

#### ***Invest in expanding our design and manufacturing capabilities and our product portfolio***

The Company has been uses total quality management as the foundation of its quality control management. Further, practices such as total productivity management (“TPM”) and lean manufacturing (“TPS”) have been implemented in the manufacturing facilities. During Fiscal 2022, continued efforts have been made to improve the manufacturing systems and processes. One of the significant aspect of the effort was to synchronize our operations with customer demand to ensure better planning and execution systems along with gaining control over inventories in the pipeline. Our Company also follows best-in-class practices for safety, pollution control, work environment, water and energy conservation. 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. The Company has also initiated various projects towards deploying 'Industry 4.0', characterized by increasing automation and the employment of smart machines and smart factories, informed data which helps to produce more products efficiently and productivity across the value chain. We plan to scale up 'Industry 4.0' practices in the coming years which is expected to bring significant gains in operational efficiencies across manufacturing locations. A design centre was established in Stuttgart, Germany to focus on the customers moving towards light weighting, electrification / alternate powertrain technologies.

The Company expects to gain prominence going forward with light-weighting. Apart from ICE powertrain parts, our Company is also building its capability to move to structural and alternate powertrain / EV parts.

#### ***Continuously focus on ensuring quality standards***

Ensuring customer satisfaction by consistently providing products of excellent quality is the primary motto of our Company. This is achieved through sophisticated technology, training, effective quality systems, continuous improvement and complete employee involvement. TQM is a way of life in our Company. Use of Poka-yokes 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 system is IATF 16949 certified. We ensure that our employees are involved in our production processes to ensure increased cross functional synergies. 100% employee involvement has been successfully achieved in the production process. Employees have completed 362 projects by applying statistical tools through quality control circles in the Fiscal 2023. The average number of suggestions implemented per employee was 44. Continuous improvement projects are implemented for betterment of the product quality and operational efficiency in all the manufacturing locations.

#### ***Continue emphasizing on cost management***

Cost management is a continuous process, and our Company manages the same through rigorous deployment, monitoring and control of costs across all departments. Our cross functional teams continuously work on projects focussed on value analysis / value engineering and improving operational efficiency. TPM and TPS are deployed Company-wide to achieve reduction in manufacturing cost. To counter increased cost of production during the COVID-19 pandemic, cross functional team collaboration has ensured mutual cross learning and effective horizontal deployment of ideas/projects across our manufacturing locations.

#### ***Focus on enhancing our information technology systems to increase efficiency***

The Company uses enterprise resource planning system that integrates all business processes across our Company. Suppliers and customers are also integrated into the system for better planning and execution. We currently have an IT road map with special focus on deploying Industry 4.0 projects in manufacturing and quality control. Our cyber security controls and mechanisms was scored 3.62 out of 5 in the year 2022 which is within top 25% in auto component industry.

### **Description of Our Business**

Our Company has manufacturing facilities located in five locations, of which one manufacturing facility is located in Krishnagiri District, one manufacturing facility is located in Tiruvallur District, one manufacturing facility is located in Kancheepuram District, one manufacturing facility is located in Chengalpattu District, and one manufacturing facility in the USA in Ridgeville, South Carolina. Our Company works consistently towards achieving its vision "to be the first choice" and serves an impressive list of well-known automotive customers.

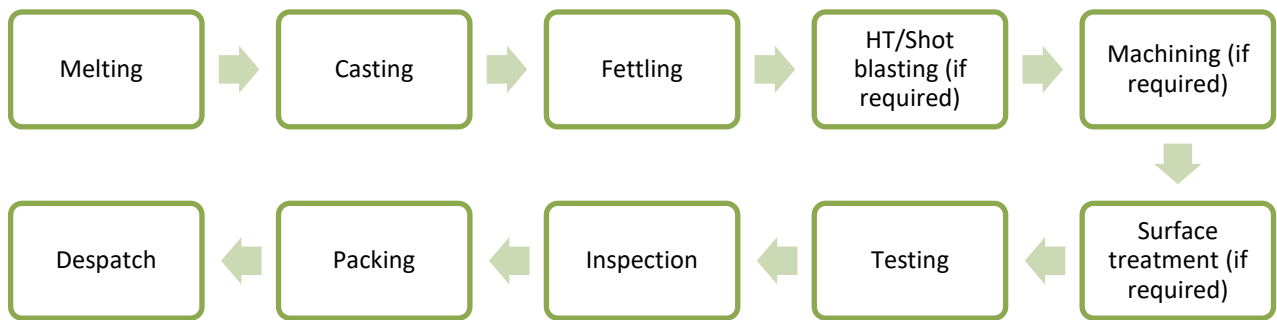
Our Company manufactures a wide range of aluminium die-casting components for two-wheelers, three-wheelers, passenger vehicles, LCVs and HCVs.

#### ***Key Products***

We have following manufacturing processes to supply castings to our customers:

- HPDC;
- LPDC; and
- GDC.

We also supply machined castings based on customer requirements. The following processes are followed in the casting process. It starts with melting of alloy ingots in the furnace, followed by pouring the molten alloy into mould through different processes, allowing it to solidify and form a casting. The below flow chart provides the detailed process involved in the casting process.



Company has three types of casting processes which are explained below.

- **HPDC:**  
It is a process in which the molten metal is injected under high pressure into mould cavity with the help of external pressure.
- **GDC:**  
It is a process in which the molten metal solidifies in the mould under gravity without any external pressure.
- **LPDC:**  
In LPDC, the metal within the furnace is pressed through the riser tube into mould under very low pressure. This form of the mould filling is the most important difference with gravity casting. The process of mould filling proceeds absolutely controlled. This results in a low turbulence or even turbulence-free mould filling.

Our aluminium castings include:

- Flywheel housing, gear housing, clutch housing, filter heads, turbo charger compressor cover assembly and intake manifold for the commercial vehicle segment.
- Cylinder head, case transaxle assembly, oil pan, chain case, fuel pump housing, and air compressor housing for passenger cars.
- Crank case, cylinder head, cylinder barrel, and wheel hub for powered two wheelers.
- Structural parts like step brackets, battery box, mounting frames, etc

Machining is a value-added process which removes excess material from the casting to meet the specifications requested by our customers. Machining converts the casting component into a fully-finished and ready-to-assemble component.

### **Customers**

Our customers are predominantly either OEMs or Tier 1 customers. OEMs are producers of fully assembled vehicles. Tier 1 customers are aggregators of assemblies which is then used by their end-customers to assemble in an automobile. Our Company enters into purchase agreements with customers which provide for, amongst other things, terms with respect to raw material price adjustments, cost reductions, compensation due to product obsolescence, delivery and liability.

### **Sales and Marketing Team**

Our Company has sales and marketing teams in India and abroad. Our marketing teams work closely with each other and their respective groups' product engineering and R&D teams to provide solutions for our customers. Our sales team has a representative for each of our major customers, and that representative is responsible for both the commercial and technical aspects of our Company-customer relationship. The sales team also takes an active role in product and plant management to ensure on-time delivery and launch of our new products. Our sales team has built long-term relationships with many customers and has played an important role in helping us attain our position as a single source supplier of castings for certain customers.

### **Raw Materials**

The principal raw material used by our Company for its production operations is aluminium alloys. We negotiate the price payable to vendors for raw materials and components based on internationally available data. We

regularly review the manufacturing costs incurred for producing each of our products to ensure efficiency of operations.

### ***Environment, Health & Safety***

Our Company is fully committed towards employee safety. Safety management is integrated with the overall environment, health and safety. The Company has been certified under integrated management system combining ISO 14001 and OHSAS 18001 systems and procedures. The Company has successfully migrated to the ISO 45001 system. Our Company also has a sustainability program to determine the carbon footprint of its operations across its India operations. Our Company plans to determine a roadmap towards sustainable growth and to achieve carbon neutrality by analysing the results of the sustainability program.

### ***Human Resource Development***

We consider our employees as vital and as our most valuable assets. Human resource development (“HRD”) is aligned to our business needs to enhance our performance and achieve expected results. HRD is practiced through an overall HRD framework constituting of resourcing, employee engagement, performance & compensation management, competency based development, career & succession planning and organization development. Each of these constituents has a structured approach and process to deliver. As a part of the long term strategy of our Company, collaborative education program has been initiated with three reputed institutes to develop role-ready engineers with Company-specific knowledge at the entry level. We also have yellow belt and green belt programs in place along with various other systems oriented training programs. This is expected to not only help solve chronic problems faced on the shop floor but also help in building the competency of our engineers in structured problem solving. Career development workshop is conducted to identify high-potential employees. Such employees are groomed for taking up higher responsibilities. A reward and recognition system is in place to motivate and also provide fast track growth for the high-potential employees. We also sponsor our engineers and executives for advanced study programs offered by both Indian and foreign educational institutions. Customized technical and leadership competency improvement programs are developed and delivered through reputed institutions. We continuously measure and report employee engagement every year and identify areas requiring improvement. As on March 31, 2023, our Company had around 1478 employees on its rolls.

### ***Capacity Utilization***

Set out below are the capacity utilization figures of our manufacturing facilities:

<b>Product Segment</b>	<b>Particulars</b>	<b>As at June 30, 2023</b>	<b>Fiscal 2023</b>	<b>Fiscal 2022</b>	<b>Fiscal 2021</b>
Automotive components	Production Capacity (metric tonnes per year)	20,400	81,600	81,600	81,600
	Actual parts achieved (metric tonnes per year)	11,301.47	43,951.74	39,140.97	32,667.79
	Percentage Utilization (%)	55.40	53.86	47.97	40.03

### ***Awards***

As on the date of this Information Memorandum, our Company has not received any awards, accreditations or recognitions. However, TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) has received various awards for carrying on the Manufacturing Business (which has been subsequently transferred to our Company pursuant to the Composite Scheme of Arrangement), including “Best foundry award in large scale category” by ALUCAST 2022 in the year 2022, “Best Quality Consistent Supplier – 2022” by Hanon Automotive Systems India Pvt Limited in the year 2022, “Customer Support Excellence Award - Die Casting” by Cummins India in the year 2022, “Best Supplier of the year - Direct sourcing” award by Cummins India in the year 2021. For further information on the awards, accreditations and recognitions received by TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*), please see, “*History and Certain Corporate Matters – Awards, accreditations and recognitions*” on page 67.

### ***Corporate Social Responsibility***

We have adopted a CSR policy and it is being administered by the Corporate Social Responsibility Committee. For further details of the Corporate Social Responsibility Committee, please see “*Our Management*” on page 81.

## ***Risk Management***

We have constituted a Risk Management Committee which is responsible for formulating the risk management policy of our Company taking into account, the various internal and external risks associated with our business, monitor and oversee implementation of the risk management policy, and recommend necessary actions to mitigate potential risks.

For more details on the scope and function of the Risk Management Committee, see “*Our Management – Risk Management Committee*” on page 81.

## ***Information Technology***

We strongly believe that technological innovation is the key to stay at the forefront of competition in our business. With the advent of ‘Industry 4.0’, the scope for development in areas such as process flow, cost reduction and quality control has risen. We aim to harness the capabilities of Industry 4.0 practices to provide quality products to our customers in a cost efficient manner. Further, integration of technology with our manufacturing capabilities would improve our enterprise resource planning and helps in improving our supervisory control over manufacturing. Our effective utilization of technology will facilitate growth and will further strengthen our risk management practices.

## ***Competition***

Factors such as pricing, product quality, turn-around time, relationship management and marketing plays a crucial role in determining the competitive landscape of the industry we operate in. The automotive casting industry is highly competitive and we expect the competition to intensify in the future. Further, the automotive casting industry is directly linked with the performance and standards of the automobile industry. Constant upgradation of automobile specifications require us to keep pace with the customer’s requirements. Our approach towards retaining our market position is to constantly focus on improving our manufacturing capabilities and integration of technology with our manufacturing capabilities to achieve cost effectiveness and to meet the customer’s requirements.

## ***Property***

Our Registered and Corporate Office is “Chaitanya”, No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India. We operate one manufacturing facility in the USA in Ridgeville, South Carolina. We have four manufacturing facilities in Tamil Nadu, one manufacturing facility in Krishnagiri District, one manufacturing facility in Tiruvallur District, one manufacturing facility in Kancheepuram District, one manufacturing facility in Chengalpattu District. As on the date of this Information Memorandum, our manufacturing facilities located in Tiruvallur District, Tamil Nadu and Krishnagiri District, Tamil Nadu are owned. Our Registered and Corporate Office and manufacturing facilities located in Kancheepuram District, Tamil Nadu and Chengalpattu, Tamil Nadu are on a leave-and license basis.

## ***Insurance***






Our operations are subject to various risks inherent to manufacturing operations, such as work accidents, fire, theft, earthquake, flood, acts of terrorism and other *force majeure* events. For our manufacturing facilities, we maintain standard fire and special perils insurance policies, industrial all risk policies, as well as burglary insurance policies for certain movable and immovable assets and for stock and tools. In addition, we also maintain all risk insurance policies, annual storage and erection policy, marine cargo open policy, product liability, recall with product guarantee and financial loss policy, baggage insurance policy, money insurance policy, fidelity insurance policy, commercial general liability industrial risk policy, export credit guarantee corporation policy,

## ***Intellectual Property Rights***

Pursuant to the Composite Scheme of Arrangement, intellectual property rights and the title over such intellectual property rights of TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) stood transferred to our Company on Appointed Date 4.

As on the date of this Information Memorandum, our Company has the following registered trademarks:



Registered trade mark	Class of trade mark under Trade Marks Act, 1999	Registering Authority	Valid up to
	16	Trade Marks Registry, Chennai	June 26, 2032
	12	Trade Marks Registry, Chennai	April 9, 2032
CD TVS	12	Trade Marks Registry, Chennai	February 27, 2029
SUNDARAM CLAYTON	12	Trade Marks Registry, Chennai	October 19, 2024
	12	Trade Marks Registry, Chennai	October 19, 2024
	12	Trade Marks Registry, Chennai	August 26, 2024
CD TVS SUNDARAM CLAYTON	12	Trade Marks Registry, Chennai	May 29, 2024
SUNDARAM CLAYTON	12	Trade Marks Registry, Chennai	May 29, 2024
	12	Trade Marks Registry, Chennai	May 27, 2024

## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information stated below has been obtained from various legislations, rules and regulations made thereunder and other regulatory requirements that are available in public domain. Description of the applicable law set out below is not exhaustive and is only intended to provide general information. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain, and periodically renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations. For further details, please see “*Government and Other Approvals*” on page 251.

### INDUSTRY-SPECIFIC LEGISLATIONS APPLICABLE TO OUR COMPANY

#### ***Legal Metrology Act, 2009***

The Legal Metrology Act, 2009, as amended (“**Metrology Act**”), was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Metrology Act states that any transaction/contract relating to goods/class of goods or undertakings shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state. Rules are issued under the Metrology Act to regulate various matters including pre-packing, sale, distribution and delivery of commodities in packaged form.

#### ***Competition Act, 2002 (“Competition Act”)***

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India (“**Commission**”) is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may exceed to one lakh rupees for each day during such failure subject to maximum of one crore rupees, as the Commission may determine.

### ENVIRONMENTAL LAWS

#### ***The Environment (Protection) Act, 1986 (“EPA”)***

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

#### ***Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)***

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be

formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

#### ***Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)***

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

#### ***Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)***

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without harming the environment. The term “*hazardous waste*” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “*occupier*”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **TAX LAWS**

#### ***Income Tax Act, 1961***

Income Tax Act, 1961 is applicable to every domestic or foreign company whose income is taxable under the provisions of this Act or rules made under it depending upon its “Residential Status” and “Type of Income” involved. Under section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied with by every company.

#### ***Central Goods and Services Tax Act, 2017 (“CGST Act”)***

The Central Goods and Services Tax Act, 2017 levies tax on the intra-state supply of goods and services throughout India to replace multiple taxes levied by the Central and State Governments on production, supply and sale of goods and providing of services in India, applicable from July 1, 2017. Under the GST Act, goods and services are taxed under five different categories, being 0%, 5%, 12%, 18% and 28%. GST is levied on all transactions such as supply, transfer, purchase, barter, lease, or import of goods and/or services. Transactions made within a single state are levied with Central GST (“CGST”) by the Central Government and State GST (“SGST”) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (“IGST”) is levied by the Central Government. GST is a consumption-based tax. Therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

#### ***Tamil Nadu Goods and Services Tax Act, 2017 (“TNGST Act”)***

The TNGST Act levies tax on the intra-state supply of goods and services or both in the State of Tamil Nadu. Under the TNGST Act, goods and services are taxed under five different categories, being 0%, 5%, 12%, 18% and 28%. The TNGST Act includes provisions for determination of time of supply, place of supply, value of taxable supply, persons liable for registration, input tax credit, assessment of tax, payment of tax and filing of returns.

### **IPR LAWS**

### ***The Trade Marks Act, 1999 (“Trademarks Act”)***

The Trademarks Act provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as device, brand, heading, label, ticket, name, signature, word, letter, numeral, or combination of colors or any combination thereof, and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of trademarks on grounds of being, inter alia, deceptively similar to other marks or being devoid of any distinctive character.

### ***The Copyright Act, 1957 (“Copyrights Act”)***

The Copyrights Act governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyrights Act acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyrights Act prescribes fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

### ***The Patents Act, 1970 (“Patents Act”)***

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- patent protection period of 20 years from the date of filing the patent application;
- recognition of product patents in respect of food, medicine and drugs;
- import of patented products will not be considered as an infringement; and
- under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

### ***Designs Act, 2000***

The Design Act, 2000 came into force in May 2001 to consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms. In order to register a design, it must be new and original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registerable. A registered design is valid for a period of 10 years after which can be renewed for a second period of 5 years.

## **LABOUR LAWS**

### ***The Factories Act, 1948 (“Factories Act”)***

The term ‘factory’, as defined under the Factories Act, includes any premises which employs or has employed on any day in the previous 12 months, 10 or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 or more workmen are employed at any day during the preceding 12 months and in which any manufacturing process is carried on without the aid of power. State Governments have issued rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act mandates the ‘occupier’ of a factory to ensure the health, safety and welfare of all workers in the factory premises. Further, the ‘occupier’ of a factory is also required to ensure (i) the safety and proper maintenance of the factory such that it does not pose health risks to persons in the factory premises; (ii) the safe use, handling, storage and transport of factory articles and substances; (iii) provision of adequate instruction, training and supervision to ensure workers’ health and safety; and (iv) cleanliness and safe working conditions in the factory premises. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

### ***Employees’ Compensation Act, 1923***

The Employees Compensation Act, 1923 (“EC Act”) (and the amendments thereof) provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due

to an accident arising out of and during the course of employment. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury. The EC Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

#### ***Employees' Provident Funds and Miscellaneous Provisions Act, 1952***

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the "**EPF Act**") is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund, the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act frames Employees Provident Scheme, 1952.

#### ***The Employees' State Insurance Act, 1948 (the "ESI Act")***

The Employees' State Insurance Act, 1948 (the "**ESI Act**") an act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories or establishments or factories belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

#### ***Industrial Disputes Act, 1947, as amended (the "ID Act")***

The ID Act provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person. The Industrial Dispute (Central) Rules, 1957 inter-alia specify procedural guidelines for lockouts, closures, layoffs and retrenchment.

#### ***Industrial Employment (Standing Orders) Act, 1946***

This act is enacted to strengthen the bargaining powers of the workers. It requires the employers to formally define the working conditions to the employee. As per this act, an employer is required to submit five copies of standing orders for adoption of his industrial establishment. An employer failing to submit the draft standing orders as required by this act shall be liable to pay fine as per section 13 of this act.

#### ***Contract Labour (Regulation and Abolition) Act, 1970, as amended (the "CLRA Act")***

The CLRA Act requires the principal employer of an establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour, to make an application to the concerned officer for registration of the establishment. In the absence of registration, contract labour cannot be employed in the establishment. Likewise, every contractor who employs or who employed on any day of the preceding twelve months, twenty or more workmen, is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

#### ***Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")***

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service.

### ***Equal Remuneration Act, 1979***

The Equal Remuneration Act 1979 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith. This act was enacted with the aim to provide Equal Pay for Equal Work as envisaged under Article 39 of the Constitution.

### ***Maternity Benefit Act, 1961***

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees. This Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances.

### ***The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013***

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an “Internal Complaints Committee” and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Complaints Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### ***Minimum Wages Act, 1948***

The Minimum Wages Act, 1948 intends to provide for fixing of minimum rates of wages in certain employments. The relevant State Government will set the prescribed minimum wages under this Act. The wages which are paid by an employer should not be lesser than the specified minimum wages.

### ***Payment of Wages Act, 1936***

The Payment of Wages Act of 1936 governs how wages are paid to employees (direct and indirect). The statute is intended to protect employees from unlawful deductions and/or unjustifiable salary delays.

### ***Payment of Bonus Act, 1965***

The payment of Bonus Act, 1965 aims to regulate the amount of bonus to be paid to the persons employed in establishments based on its profit and productivity. The act is applicable to the whole of India for all establishments which had twenty or more persons employed on any day during the year.

In order to rationalize and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Information Memorandum, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923,

the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

## **FOREIGN EXCHANGE LAWS**

### ***The Foreign Exchange Management Act, 1999 (“FEMA”) and regulations framed thereunder***

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations, and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the FDI Policy. In terms of the FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEM Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

The total holding by each FPI or an investor group, shall be less than 10 percent of the total paid-up equity capital on a fully diluted basis or less than 10 percent of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together, including any other direct and indirect foreign investments in the Indian company permitted under these rules, shall not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10 percent and 24 percent shall be called the individual and aggregate limit, respectively.

With effect from April 1, 2020, the aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, in accordance with Press Note No. 4 (2020 Series), dated October 15, 2020 issued by the DPIIT, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an 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) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) such other conditions as may be specified by SEBI from time to time.

### ***The Foreign Trade (Regulation and Development) Act, 1992 and the rules framed thereunder (“FTA”)***

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the Government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The Government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general

as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, 2015-20 (extended till March 31, 2023) prohibits anybody from undertaking any import or export except under an Importer-Exporter Code number (“**IEC**”) granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

### ***Overseas Direct Investment (“ODI”)***

In terms of the Foreign Exchange Management (Overseas Investment) Rules, 2022 issued by RBI, dated August 22, 2022, an Indian entity is allowed to make a financial commitment in foreign entities and such commitments in all the foreign entities taken together shall not exceed 400 percent of its net worth as on the date of the last audited balance sheet or as directed by the RBI, in consultation with the Central Government. The total financial commitment shall not include capitalisation of retained earnings for reckoning but shall include utilisation of the amount raised by the issue of American Depository Receipts or Global Depository Receipts, stock swap of such receipts and utilisation of the proceeds from external commercial borrowings to the extent the corresponding pledge or creation of charge on assets to raise such borrowings has not been reckoned towards the limit.

### ***Foreign Trade Regulations***

Imports and exports are governed by the Foreign Trade (Development and Regulation) Act, 1992, as amended (the “**FTDR**”) and the Export and Import Policy (the “**EXIM Policy**”) formulated by the Central Government from time to time. FTDR provides for an Importer Exporter Code (“**IEC**”) to be granted to those persons licensed to carry out imports and exports, which may be suspended or cancelled in case of violation of the provisions of FTDR or the EXIM Policy. No person is allowed to carry out imports and exports without a valid IEC. Failure to mention IEC number attracts a penalty of not less than ₹10,000 and not more than five times the value of the goods or services or technology in respect of which any contravention is made or is attempted to be made, whichever is more.

## **OTHER APPLICABLE LAWS**

### ***Special Economic Zones Act, 2005 (“SEZ Act”) and the Special Economic Zone Rules, 2006 (“SEZ Rules”)***

A SEZ is a specifically delineated duty-free enclave, deemed to be a foreign territory for the purposes of trade as well as duties and tariffs. A board of approval has been set up under the SEZ Act, which is responsible for promoting the SEZ and ensuring its orderly development. The SEZ Rules prescribe the procedure for the operation and maintenance of a SEZ and for setting up and conducting business therein.

### ***The Electricity Act, 2003 (“Electricity Act”)***

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the Central Electricity Authority may in consultation with the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

### ***Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010***

The Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 as amended, lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include requiring all electric supply lines and apparatus to:

- a) have sufficient rating for power, insulation and estimated fault current;
- b) be of sufficient mechanical strength for the duty cycle which they may be required to perform under the environmental conditions of installation;



The supplier is also required to provide a suitable switchgear installation in each conductor of every service line other than an earthed or earthed neutral conductor or the earthed external conductor of a concentric cable within a consumer's premises and such switchgear is required to be encased in a fireproof receptacle.

The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

#### ***Fire prevention laws***

The state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India, which includes fire prevention and firefighting services. The state legislatures have also enacted fire control and safety rules and regulations such as the Tamil Nadu Fire Service Act, 1985 read with Tamil Nadu Fire Services Rules 1990, which are applicable to our manufacturing facilities established in Tamil Nadu. The legislations include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated 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 29, 2017 was issued by the Registrar of Companies. 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. 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. 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 vide its order dated March 6, 2023, and a fresh certificate of incorporation dated August 30, 2023 was issued by the Registrar of Companies.

The Demerged Undertaking (die casting division) was part of erstwhile Sundaram-Clayton Limited (*now known as TVS Holdings Limited*) and is one of the largest auto components manufacturing and distribution groups in India and is also a leading supplier of aluminium die castings to automotive and non-automotive sector. The said die casting business is in operation from the year 1962 and has achieved many milestones and emerged as one of the preferred solution providers in machined and sub-assembled aluminium castings. The contribution commences from early design stage to development and supply of finished product. Over the years, it has built strategic partnership with global original equipment manufacturers and Tier 1 Customers. As a part of the Composite Scheme of Arrangement, the Demerged Undertaking was transferred to our Company effective from August 11, 2023.

### Changes in the registered office of our Company

The details of changes in the registered office of our Company since its incorporation are set forth below.

Date of change of registered office	Details of the address of registered office	Reason(s) for change
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.	Administrative Convenience

### Changes in the Memorandum of Association

The details of the changes made to the Memorandum of Association of our Company in the last 10 years are set forth hereunder:

Date of shareholders’ resolution	Nature of amendment
February 4, 2022	The name clause provided under clause 1 of the Memorandum of Association was amended to reflect the change in the name of our Company from ‘TVS Commodity Financial Solutions Private Limited’ to ‘Sundaram - Clayton DCD Private Limited’
February 4, 2022	The main objects clause provided under clause 3(a) of the Memorandum of Association was amended by substituting the current clause 3(a) (as provided herein at “ <i>History and Certain Corporate Matters – Main objects as set out in the Memorandum of Association of our Company</i> ” on page 67) for the following erstwhile clause 3(a): “1. To give financial assistance whether secured or unsecured to the clients for their business either in commodities, warehouse stock, stocks and securities, for both short term & long term whether with or without interest and against required security.”
February 10, 2022	The name clause provided under clause 1 of the Memorandum of Association was amended to reflect the change in the name of our Company from ‘Sundaram - Clayton DCD Private Limited’ to ‘Sundaram - Clayton DCD Limited’ consequent upon conversion of our Company from a private limited company to a public limited company

Date of shareholders' resolution	Nature of amendment
August 11, 2023	The name clause provided under clause 1 of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Sundaram - Clayton DCD Limited' to 'Sundaram-Clayton Limited' pursuant to the Composite Scheme of Arrangement.
August 11, 2023	The authorised share capital clause provided under clause 5 of the Memorandum of Association was amended to reflect the alteration, modification and increase in the authorised share capital of our Company from ₹25,000 (Rupees Twenty-five Thousand) divided into 2,500 (Two Thousand and Five Hundred) equity shares of ₹10/- (Rupees Ten only) each to ₹15,00,00,000 (Rupees Fifteen Crores) consisting of 2,50,00,000 (Two Crore Fifty Lakhs) equity shares of ₹ 5 (Rupees Five) each and 25,00,000 (Twenty-five Lakhs) preference shares of ₹10 (Rupees Ten) each with power to increase and reduce the capital of our Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or condition as may be determined by or in accordance with the Articles of our Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of our Company and the legislative provisions for the time being in force, pursuant to the Composite Scheme of Arrangement.

### Main objects as set out in the Memorandum of Association of our Company

The main objects of our Company as contained in clause 3(a) of our Memorandum of Association are:

1. *"To carry on the business of manufacturers of and merchants and dealers in all components and parts and accessories of vehicles of every kind and engines of every kind and to carry on the business of manufacturers, mechanical engineers, founders, fitters, tool makers, brass founders, metal makers, boiler makers etc and to manufacture, produce, repair, export, import, purchase, sell and deal in and generally to carry on business in the manufacture, sale and supply of brake exhausters, compressors, servo units and other components and accessories thereof for vehicles of every kind and to carry on the business of designers, developers, manufacturers, distributors, sellers and dealers in all types of internal combustion engines, and to buy, sell, repair, convert, alter, export, import, let on hire all types of internal combustion engines and to carry on the business of manufacturers and and to carry on the business of iron and steel founders and founders of non-ferrous metals in all their branches and to carry on business of smelters, and of casting, forming and shaping parts and components of plant, machinery and equipment and articles of every description of ferrous and non-ferrous metals and other materials.*
2. *To acquire and carry on the business of manufacture of rubber articles and to purchase, take on lease or otherwise acquire, hold and work any lands producing rubber trees or suitable for planting, cultivation and growth of rubber trees and any concessions, rights, powers and privileges over any such lands and machinery and to generate, develop, accumulate, produce, manufacture, purchase, process, transform, distribute, transmit, sale, supply and / or otherwise import, export, deal in any kind of power of electrical energy using coal, lignite, petroleum products or any other substances, wind energy, solar energy, etc and to deal with all places including cities, towns, villages, districts, docks, markets, theatres, building, industries, offices or any other place and to all such acts, deeds and things including construction, laying down, establishing, fixing and to carry out all necessary activities for the aforesaid purpose and setting up, operating and maintaining electric power generating stations based on conventional / renewable sources, tie-lines, sub-stations and transmission lines on build, own and operate (BOO) and / or build, own and transfer (BOT) and / or build, own, lease and transfer (BOLT) and / or build, own, operate and transfer (BOOT) basis and to carry on in India or elsewhere the business of acquiring, operating, managing.*
3. *To carry on the business of generation of electrical power by conventional, non-conventional, renewable methods including coal, gas lignite, oil, biomass, waste, thermal, solar, hydel, geo-hydel, wind and tidal waves and also to carry on the business of supply of electricity for the purpose of light, heat, motive power or otherwise and manufacture of and dealers in apparatus and things required for or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity and maintain power generating machineries and all other types of plant and machinery, and to carry on the business of promoting, owning, acquiring, erecting, constructing, establishing, maintaining, improving, managing, operating, altering, controlling, taking on hire/lease power plants, co-generation power plants energy conservation projects, power houses, transmission and distribution systems of generation, distribution, transmission and supply of electrical energy and buying, selling, supplying, exchanging, marketing, functioning as a licensee and dealing in electrical power, energy to the State Electricity Board, State Government, appropriate authorities, licensees, specific industrial units and other consumers for industrial,*

commercial, agricultural, household and any other purpose in India and elsewhere in any area to be specified by the State Government, Central Government, Local Authority, State Electricity Boards and any other competent authority in accordance with the provisions of Indian Electricity Act, 1910 and/or Electricity (Supply) Act, 1948 or any state Act.

4. To carry on the business of electricians, electrical engineers, and manufacturers of all kinds of electrical machinery and electrical apparatus for any purpose whatsoever and to manufacture, sell, supply and deal in accumulators, lamps, motors, engines, dynamos, batteries, telephonic or telegraphic apparatus of any kind and manufacturers of and dealers in scientific instruments of any kind and to buy, sell, let on hire, take on hire, repair, alter and deal in machinery, component parts, accessories and fittings of all kinds for motors and vehicles and all articles and things used in or capable of being used in connection with the manufacture, maintenance and working thereof and to carry on the business of garage keepers, filling station operators service station operators and suppliers of and dealers in petrol, diesel, oil, electricity and other motive power to motors and other things and to carry on (either in connection with the aforesaid business or as distinct and separate business) the businesses of garage proprietors and to buy, sell, supply and deal in petrol, oil and petroleum products, electricity, new and used motor vehicles, parts of such vehicles, their accessories and supplies.
5. To bring, buy, sell, manufacture, plant, cultivate, prepare, repair, convert, hire, alter, treat, manipulate, exchange, let on hire, import, export, dispose off and deal in machinery, implements, rolling stock, plant, hardware, ores, metals, iron, carbon-black, rayon, Hessian, store materials, tools, appliances, apparatus, products, substances and articles of all kinds (whether referred to in the Memorandum or not) which may seem to the company capable of being used or required for the purpose of any of the businesses which the company is expressly or by implication authorized to carry on or which are usually supplied or dealt in by persons engaged in any such businesses or which may seem to the company capable of being conveniently carried on in connection with the above or otherwise calculated directly or indirectly to enhance the value of any of the property and rights of the company for the time being.”

The main objects as contained In the Memorandum of Association enable our Company to carry on the business presently being carried out.

#### Major events and milestones of our Company

The table below sets forth the major events and milestones in the history of our Company:

Calendar Year	Particulars
2017	Incorporation of our Company under the name of ‘TVS Commodity Financial Solutions Private Limited’
2022	The name of our Company was changed to ‘Sundaram - Clayton DCD Private Limited’
2022	Our Company was converted from a private limited company to a public limited company and consequently renamed as ‘Sundaram - Clayton DCD Limited’
2023	Demerger, transfer and vesting of the Demerged Undertaking from TVS Holdings Limited (formerly known as Sundaram - Clayton Limited) into our Company on a going concern basis pursuant to the Composite Scheme of Arrangement.
2023	Pursuant to the Composite Scheme of Arrangement, the name of our Company has been changed to ‘Sundaram-Clayton Limited’

#### Awards, accreditations and recognitions

Our Company has not received any awards, accreditations or recognitions.

The award, accreditations and recognitions of TVS Holdings Limited (formerly known as Sundaram – Clayton Limited) for carrying on the Manufacturing Business (which has been subsequently transferred to our Company pursuant to the Composite Scheme of Arrangement) are as follows:

Calendar Year	Awards, Accreditations and Recognitions
2011	Excellent Performance Award Cummins – Category – Machined castings
	Platinum award-Auto ancillary sector – Medium category The Economic Times India Manufacturing Excellence Awards
2012	Merit Award form Hyundai (Category: Best Cooperation)

	Bronze Award form Honda Siel Cars India Limited (Category: Cost)
2013	Excellence in Delivery Award from Delphi-TVS Diesel Systems Limited Category: Excellence
2014	Best cost sourcing event – ZF
	Superior quality award – Cummins
	Appreciation of continuous improvement from Cummins Category: Zero Defect
	Project Management Excellence Award from Cummins India ABO Supplier Category: Project Management Excellence
2015	Special award for globally competitive supplies – Daimler
	Appreciation award – Hyundai
	Best supplier six sigma project award – Cummins
2016	Product development support excellence Award- Cummins
	Supplier of the year Award – PACCAR/DAF
	Quality and delivery for powertrain – HMIL
	Best supplier Award- Rotex
	Best crisis management support Award- Hanon
2017	Supplier of the year” award for cost management – PACCAR/DAF
	“Category partner – Aluminum castings” award – Cummins
2018	Best Performer-2018 awarded by Hyundai in Production Support category
	Won 2 <sup>nd</sup> runner-up prize in Cummins skill conclave 2019
	Received appreciation from Hanon for Leak reduction (4.5 % to 0.9 %)
2019	“Supplier of the year 2019 award – PACCAR INDIA
	“Best process and systems” award – Hanon
	“Supplier – Best practice sharing 2019” award – Daimler.
	“Best supplier – Six sigma project” award – Cummins
	“Best performer 2019 for Production Support” – HMIL
	Oragadam Plant – Platinum level in Quality performance – TVSM Hosur
	Scored “94%” and rated “A” grade in Daimler VDA 6.3 audit (Only Indian supplier to achieve grade A out of 47 Indian suppliers)
	“Gold Award for Energy conservation 2019” – Hanon
	Hosur plant “1 <sup>st</sup> Prize in State safety award” from Tamil Nadu Government
2020	“Covid-19 outstanding supplier award” – Cummins.
	“Platinum award” in delivery and “Platinum award” in BMW quality – TVSM
	Appreciation from Volvo for the efforts extended by the SCL team during the pandemic situation and continued shipment during lockdown periods.
	Appreciation from TATA motors for highest dispatch of Cylinder head (8210 no’s)
	Appreciation from Cummins domestic for all the support and improvement of the Supply chain performance
	Appreciation from HMIL for meeting the delivery requirement
2021	“Best Supplier of the year – Direct sourcing” award – Cummins India
	For a second year in a row, recognized with leader status under the Supplier Performance Management program (Delivery score>80) – DAF/PACCAR
	Appreciation from WABCO for the best efforts exhibited by the SCL team for meeting the delivery requirements.
	Appreciation from TCL for the efforts extended by the SCL team for ensuring delivery of critical parts despite of all challenges in May’21.
	Appreciation from CTT for on time supply of critical parts.
	Appreciation from Volvo for meeting volume increase and maintaining pipelines during the COVID- 19 wave 3.
2022	“Customer Support Excellence Award – Direct Sourcing” – Cummins India
	Best foundry award in large scale category – ALUCAST 2022
	Panther 2.0 L engine launch Quality and Flow – Ford India
	“Best Quality Consistent Supplier – 2022” – Hanon Automotive Systems India Pvt Ltd

### Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

### Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/restructuring in relation to borrowings availed by our Company from any financial institutions or banks.

### **Significant financial or strategic partners**

As of the date of this Information Memorandum, our Company does not have any significant financial or strategic partners.

### **Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation or location of plants**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see “*Our Business – Description of our Business*” on page 52.

### **Details regarding material acquisitions or divestments of business/undertakings/mergers and amalgamations, any revaluation of assets**

Other than the restructuring contemplated under the Composite Scheme of Arrangement, as on the date of filing this Information Memorandum, there has been no material acquisition of business, undertakings, mergers, amalgamations or revaluation of assets in the last ten years. For further details, please see “*Composite Scheme of Arrangement*” on page 77.

### **Summary of Material agreements**

#### ***Shareholders’ agreements:***

As on the date of this Information Memorandum, there are no subsisting shareholders’ agreements amongst our Shareholders with respect to our Company, which our Company is aware of.

#### ***Other Material agreements***

As on the date of this Information Memorandum, our Company has not entered into any material agreements, including with any strategic partners or joint venture partners or financial partners, which is subsisting, other than in the ordinary course of business.

Further, there is no agreement entered into by a Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.

### **Our holding company**

As on the date of this Information Memorandum, our Company does not have a holding company. Until Effective Date 4, our Company was a wholly owned subsidiary of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*).

### **Our Subsidiaries**

As on the date of this Information Memorandum, our Company has the following Subsidiaries:

#### ***Direct Subsidiaries***

- (i) Sundaram Holding USA Inc (“**SHUI**”);
- (ii) Sundaram-Clayton (USA) Limited; and
- (iii) Sundaram Clayton GmbH

#### ***Indirect Subsidiaries (limited liability companies of SHUI)***

- (i) Green Hills Land Holding LLC;
- (ii) Components Equipment Leasing LLC;
- (iii) Sundaram-Clayton (USA) LLC; and
- (iv) Premier Land Holding LLC.

## Associates

### (i) Sundaram Non-Conventional Energy Systems Limited

Sundaram Non-Conventional Energy Systems Limited is an associate of our Company in terms of Section 2(6) of the Companies Act, 2013 and by virtue of our Company's shareholding in it, aggregating up to 23.53% of its total equity shares.

## Details of the Direct Subsidiaries:

### 1. Sundaram Holding USA Inc

#### *Corporate Information*

Sundaram Holding USA Inc was incorporated as a C Corporation under the laws of Delaware, United States of America on September 9, 2015. The corporate number of Sundaram Holding USA Inc is 47-5001198 and the principal place of business of Sundaram Holding USA Inc is 2711, Centerville rd, #400, Wilmington county of Newcastle, State of Delaware-19808, USA.

#### *Nature of Business*

Sundaram Holding USA Inc is engaged in the business of manufacturing of aluminium castings.

#### *Capital Structure*

The authorized share capital of Sundaram-Holding USA Inc is USD 15,00,00,000 divided into 15,00,00,000 common stock of USD one each.

The issued, subscribed and paid-up share capital of Sundaram Holding USA Inc is USD 117,700,000 divided into 117,700,000 common stock of USD one each.

#### *Shareholding Pattern*

The shareholding pattern of Sundaram Holding USA Inc as on date is provided below:

Name of the shareholder	Number of common stock	Percentage of the issued and paid-up share capital (%)
Sundaram-Clayton Limited	117,700,000	100.00
<b>Total</b>	<b>117,700,000</b>	<b>100.00</b>

### 2. Sundaram-Clayton (USA) Limited

#### *Corporate Information*

Sundaram-Clayton (USA) Limited was incorporated as a limited company under the State of Illinois, United States of America on June 15, 2012. The corporate number of Sundaram-Clayton (USA) Limited is 45-4072234 and the principal place of business of Sundaram-Clayton (USA) Limited is 700 Commerce Drive, Suite 500 Oakbrook, IL 60523-8736, USA.

#### *Nature of Business*

Sundaram-Clayton (USA) Limited is a professional employer organisation which provides payroll services.

#### *Capital Structure*

The authorized share capital of Sundaram-Clayton (USA) Limited is 100 common shares of USD one each.

The issued, subscribed and paid-up share capital of Sundaram-Clayton (USA) Limited is 100 common shares of USD one each.

*Shareholding Pattern*

The shareholding pattern of Sundaram Clayton (USA) Limited as on date is provided below:

Name of the shareholder	Number of common shares	Percentage of the issued and paid-up share capital (%)
Sundaram-Clayton Limited	100	100.00
<b>Total</b>	<b>100</b>	<b>100.00</b>

3. Sundaram-Clayton GmbH

*Corporate Information*

Sundaram-Clayton GmbH was incorporated as a company with limited liability under the German Stock Corporation Act, 1965 of Germany on February 8, 2023. The corporate number of Sundaram-Clayton GmbH is HRB 788209 and the principal place of business of Sundaram Clayton Limited is Heinz-Nixdorf-Strasse 4, 74172, Neckarsulm, Germany.

*Nature of Business*

Sundaram-Clayton GmbH was incorporated with the objective of establishing an engineering design centre.

*Capital Structure*

The authorized share capital of Sundaram-Clayton GmbH is EUR 5,25,000 divided into 5,25,000 equity shares of EUR one each.

The issued, subscribed and paid-up share capital of Sundaram-Clayton GmbH is EUR 5,25,000 divided into 5,25,000 equity shares of EUR one each.

*Shareholding Pattern*

The shareholding pattern of Sundaram-Clayton GmbH as on date is provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Sundaram-Clayton Limited	5,25,000	100.00
<b>Total</b>	<b>5,25,000</b>	<b>100.00</b>

**Details of the Indirect Subsidiaries:**

1. Green Hills Land Holding LLC

*Corporate Information*

Green Hills Land Holding LLC was incorporated as a single member limited liability company under the State of South Carolina, United States of America on September 16, 2015. The corporate number of Green Hills Land Holding LLC is 47-5064479 and the principal place of business of Green Hills Land Holding LLC is 1703, Laurel Street, Columbia, South Carolina – 29201, USA.

*Nature of Business*

Green Hills Land Holding LLC is engaged in the business of leasing of properties.



*Capital Structure and holding*

Sundaram-Calyton Limited is the only member in Green Hills Land Holding LLC. By virtue of Green Hills Land Holding LLC being a single member limited liability company, it does not have any share capital.

2. Components Equipment Leasing LLC

*Corporate Information*

Components Equipment Leasing LLC was incorporated as a single member limited liability company under the State of South Carolina, United States of America on September 16, 2015. The corporate number of Components Equipment Leasing LLC is 47-5073913 and the principal place of business of Components Equipment Leasing LLC is 1703, Laurel Street, Columbia, South Carolina – 29201, USA.

*Nature of Business*

Components Equipment Leasing LLC is engaged in the business of leasing of components and equipment.

*Capital Structure and holding*

Sundaram-Clayton Limited is the only member in Components Equipment Leasing LLC. By virtue of Components Equipment Leasing LLC being a single member limited liability company, it does not have any share capital.

3. Sundaram-Clayton (USA) LLC

*Corporate Information*

Sundaram-Clayton (USA) LLC was incorporated as a single member limited liability company under the State of South Carolina, United States of America on September 16, 2015. The corporate number of Sundaram-Clayton (USA) LLC is 47-5086980 and the principal place of business of Sundaram-Clayton (USA) LLC is 1703, Laurel Street, Columbia, South Carolina – 29201, USA.

*Nature of Business*

Sundaram-Clayton (USA) LLC is engaged in the business of manufacture of aluminium castings for heavy and medium commercial vehicles segment.

*Capital Structure and holding*

Sundaram-Clayton Limited is the only member in Sundaram-Clayton (USA) LLC. By virtue of Sundaram-Clayton (USA) LLC being a single member limited liability company, it does not have share capital.

4. Premier Land Holding LLC

*Corporate Information*

Premier Land Holding LLC was incorporated as a single member limited liability company under the State of South Carolina, United States of America on December 6, 2016. The corporate number of Premier Land Holding LLC is 30-0960696 and the principal place of business of Premier Land Holding LLC is 120 Casting Way, Ridgeville, South Carolina – 29472, USA.

*Nature of Business*

Premier Land Holding LLC is engaged in the business of holding / leasing of properties.

*Capital Structure and holding*

Sundaram-Clayton Limited is the only member in Sundaram-Clayton (USA) LLC. By virtue of Sundaram-Clayton (USA) LLC being a single member limited liability company, it does not have any share capital.

## Details of associates

### 1. Sundram Non-Conventional Energy Systems Limited

#### *Corporate Information*

Sundram Non-Conventional Energy Systems Limited was incorporated on November 4, 1994, under the provisions of Companies Act, 1956 under the name 'Sundram Non-Conventional Energy Systems Private Limited'. It was converted into a public company and the name of 'Sundram Non-Conventional Energy Systems Private Limited' was changed to its present name 'Sundram Non-Conventional Energy Systems Limited' on March 24, 1995 and bears the corporate identity number U40108TN1994PLC029132. Its registered office is situated at 98A, VII Floor, Dr. Radhakrishnan Salai, Chennai – 600 004, Tamil Nadu, India.

#### *Nature of business*

Sundram Non-Conventional Energy Systems Limited is engaged in the business of generation of power through windmills and sale thereof in the business of electric power generation using other non-conventional sources.

#### *Capital Structure*

The authorized share capital of Sundram Non-Conventional Energy Systems Limited is ₹3,50,00,000 divided into 35,00,000 equity shares of ₹10 each.

The issued, subscribed and paid-up share capital of Sundram Non-Conventional Energy Systems Limited is ₹49,99,930 divided into 4,99,993 equity shares of ₹10 each.

#### *Shareholding Pattern*

The shareholding pattern of Sundram Non-Conventional Energy Systems Limited is as provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Sundram Fasteners Limited, Chennai and its two nominees	2,64,693	52.94
Sundaram-Clayton Limited, Chennai	1,17,650	23.53
Lucas TVS Limited, Chennai	1,17,650	23.53
<b>Total</b>	<b>4,99,993</b>	<b>100.00</b>

The shareholding pattern of Sundram Non-Conventional Energy Systems Limited on fully diluted basis as on date is provided below:

Name of the shareholder	Number of equity shares	Percentage of the issued and paid-up share capital (%)
Sundram Fasteners Limited, Chennai and its two nominees	2,64,693	52.94
Sundaram-Clayton Limited, Chennai	1,17,650	23.53
Lucas TVS Limited, Chennai	1,17,650	23.53
<b>Total</b>	<b>4,99,993</b>	<b>100.00</b>

## Common pursuits with the Subsidiaries

There are no common pursuits between our Company and our Subsidiaries.

## Accumulated profits or losses of Subsidiaries

As on the date of this Information Memorandum, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

**Business interest between our Company and our Subsidiaries**

There are no business interests between our Company and our Subsidiaries.

**Joint venture**

As of the date of this Information Memorandum, our Company does not have any joint venture.

## COMPOSITE SCHEME OF ARRANGEMENT

### Details of the Composite Scheme of Arrangement:

The 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, involves: (i) issue of cumulative non-convertible redeemable preference shares by TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*) (“**Demerged Company**”) by way of bonus issue to its shareholders by utilizing its general reserved/retained earnings (“**Part II**” of the Composite Scheme of Arrangement); (ii) amalgamation of erstwhile TVS Holdings Private Limited (“**Transferor Company 1**”) with Demerged Company and cancellation of the share capital of Demerged Company held by Transferor Company 1 and consideration thereof (“**Part III**” of the Composite Scheme of Arrangement); (iii) amalgamation of erstwhile VS Investments Private Limited (“**Transferor Company 2**”) with Demerged Company and cancellation of the share capital of Demerged Company held by Transferor Company 2 and consideration thereof (“**Part IV**” of the Composite Scheme of Arrangement); (iv) demerger, transfer and vesting of the Manufacturing Business of Demerged Company into Sundaram-Clayton Limited (“**Resulting Company**” or “**our Company**”) on a going concern basis, reduction and cancellation of the paid-up share capital of the Resulting Company held by Demerged Company and the consequent issue of shares of the Resulting Company to the shareholders of Demerged Company (“**Part V**” of the Composite Scheme of Arrangement); and (vi) such other matters consequential to or otherwise connected with the above (the “**Composite Scheme of Arrangement**”).

### Rationale for the Composite Scheme of Arrangement

The re-organisation is intended to achieve the following:

- The amalgamation of the Transferor Company 1 and Transferor Company 2 with Demerged Company will result in the following benefits:
  - a. Streamlining of the promoter holding structure;
  - b. Optimal utilisation of resources and better corporate governance; and
  - c. Reduction of administrative responsibilities, multiplicity of records and legal and regulatory compliances.
- The demerger of Manufacturing Business of Demerged Company into the Resulting Company pursuant to the Composite Scheme of Arrangement is expected to result in the following benefits:
  - a. Segregation and unbundling of the businesses of Demerged Company into the Resulting Company will enable enhanced focus on Demerged Company and Resulting Company for exploiting opportunities of each of the said companies;
  - b. Unlocking of value for shareholders of Demerged Company, attracting investors and providing better flexibility in accessing capital, focused strategy and specialisation for sustained growth;
  - c. Logistics alignment leading to economies of scale for Resulting Company and creation of sectoral efficiencies and benefitting stakeholders as well as optimization of operation and capital expenditure; and
  - d. Enhancing competitive strength, achieving cost optimization, ensuring benefits through focused management of financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of Resulting Company and Demerged Company thereby significantly contributing to future growth and maximizing shareholders’ value.
- The Composite Scheme of Arrangement is in the best interests of the shareholders, employees and the creditors of Transferor Company 1, Transferor Company 2, Demerged Company and our Company.

### Appointed Date

The appointed date in relation to:

- a. Part II of the Composite Scheme of Arrangement shall mean March 14, 2023 (“**Appointed Date 1**”);
- b. Part III of the Composite Scheme of Arrangement shall mean June 16, 2023 (“**Appointed Date 2**”);
- c. Part IV of the Composite Scheme of Arrangement shall mean August 4, 2023 (“**Appointed Date 3**”); and
- d. Part V of the Composite Scheme of Arrangement shall mean August 11, 2023 (“**Appointed Date 4**”).

## **Salient features of the Composite Scheme of Arrangement**

### ***Demerger and vesting of the Demerged Undertaking in our Company***

Pursuant to Part V of the Composite Scheme of Arrangement and with effect from the Appointed Date 4 in accordance with the provisions of the Companies Act, 2013 the provisions of Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, contracts, loan, debentures, duties and arrangements, obligations and permits has been demerged from Demerged Company and transferred to and vested in Resulting Company as a going concern, so as to become the assets, liabilities, contracts, arrangements, loan, debentures and permits of our Company with effect from Appointed Date 4.

In consideration of the demerger of the Demerged Undertaking into our Company pursuant to the provisions of the Composite Scheme of Arrangement, we have issued and allotted, on a proportionate basis to each shareholder of Demerged Company:

- a. One fully paid-up equity share of ₹5 (Rupees five) each, credited as fully paid-up, for every 1 (one) equity share of ₹5 (Rupees five) each of Demerged Company held by such shareholder and whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date 2; and
- b. One fully paid-up preference share of ₹10 (Rupees ten) each, credited as fully paid-up, for every 1000 (Thousand) preference shares of ₹10 (Rupees ten) each of Demerged Company held by such shareholder and whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date 2.

### ***Reduction and reorganisation of the existing equity shares of our Company***

Upon Part V of the Composite Scheme of Arrangement becoming effective and allotment of the New Equity Shares by our Company, the entire paid-up equity share capital, immediately before Effective Date 4, of our Company stood cancelled, extinguished and annulled on and from the Effective Date 4 and the paid-up equity capital of our Company to that effect stood cancelled and reduced, which is to be regarded as reduction of the share capital of our Company.

On the Effective Date 4, we debited our share capital account in our books of account with the aggregate face value of such cancelled shares. The capital reserve in the books of our Company was increased to the extent of the amount of such cancelled shares.

### ***Amendments to the Memorandum of Association of our Company***

Upon Part V of the Composite Scheme of Arrangement becoming effective, the name of our Company stood changed to “Sundaram-Clayton Limited”, by filing Form INC-24 with the Registrar of Companies.

With effect from Effective Date 4, and simultaneous reduction of share capital of our Company and prior to the allotment of the equity shares to Demerged Company, the face value of equity shares of our Company stood altered such that the face value of the equity shares be ₹5 (Rupees five) each. Further, the authorised share capital of our Company stood increased to ₹15,00,00,000 (Rupees fifteen crores) divided into 2,50,00,000 (Two crore and fifty lakhs) equity shares of ₹5 (Rupee five) each and 25,00,000 (twenty-five lakhs) preference shares of ₹10 (Rupees ten) each.

In addition to the above, the following actions have also been undertaken pursuant to the Composite Scheme of Arrangement:

#### ***(a) Issue of preference shares of Demerged Company by way of Bonus***

Pursuant to Part II of the Composite Scheme of Arrangement, Demerged Company issued and allotted 116 (One hundred and sixteen) fully paid-up preference shares of face value ₹10 (Rupees ten) each, for every 1 (one) equity share of ₹5 (Rupees five) each held by such equity shareholder whose name is recorded in the register of members and/or records of the depository(ies) as equity shareholder of the Demerged Company on the Record Date 1, by way of bonus issue utilizing its general reserves/retained earnings.

**(b) Amalgamation of Transferor Company 1 with Demerged Company**

Pursuant to Part III of the Composite Scheme of Arrangement and with effect from the Appointed Date 2, and in accordance with the provisions of the Companies Act, 2013 the provisions of Section 2(1B) of the Income Tax Act, Transferor Company 1 along with all its assets, liabilities, permits, contracts, loan, debentures, duties and obligations of Transferor Company 1 stood transferred to and vested in Demerged Company as a going concern so as to become the assets, liabilities, permits, contracts, loan, debentures, duties and obligations of Demerged Company, with effect from the Appointed Date 2.

In consideration of the amalgamation of Transferor Company 1 with Demerged Company, Demerged Company has issued and allotted 1,30,94,460 (One crore, thirty lakhs ninety-four thousand four hundred and sixty) fully paid-up equity shares of ₹5 (Rupees five) each and 151,89,57,360 (One hundred and fifty-one crores eighty-nine lakhs fifty seven thousand three hundred and sixty) fully paid-up preference shares of ₹10 (Rupees ten) each to the shareholders of Transferor Company 1, in the proportion of the number of shares held by the shareholders in Transferor Company 1. In the event, Transferor Company 1 holds less than 1,30,94,460 (One crore, thirty lakhs ninety-four thousand four hundred and sixty) equity shares of Demerged Company and/or 151,89,57,360 (One hundred and fifty-one crores eighty-nine lakhs fifty seven thousand three hundred and sixty) preference shares of Demerged Company on the Effective Date 2, the shares to be issued by Demerged Company in consideration of the amalgamation, shall stand reduced by such decreased number of shares held by Transferor Company 1.

Upon Part III of the Composite Scheme of Arrangement becoming effective, all shares held by Transferor Company 1 in the share capital of Demerged Company immediately before Effective Date 2, stood cancelled.

Further, upon Part III of the Composite Scheme of Arrangement becoming effective, Transferor Company 1 stood dissolved without winding up and the board and any committees thereof of Transferor Company 1 stood discharged. On and from the Effective Date 2, the name of Transferor Company 1 has been struck off from the records of the Registrar of Companies.

**(c) Amalgamation of Transferor Company 2 with Demerged Company**

Pursuant to Part IV of the Composite Scheme of Arrangement becoming effective and with effect from Appointed Date 3, and in accordance with the provisions of the Companies Act, 2013 the provisions of Section 2(1B) of the Income Tax Act, Transferor Company 2 along with all its assets, liabilities, permits, contracts, loan, debentures, duties and obligations of Transferor Company 2 stood transferred to and vested in Demerged Company as a going concern so as to become the assets, liabilities, permits, contracts, loan, debentures, duties and obligations of Demerged Company with effect from Appointed Date 3.

In consideration of the amalgamation of Transferor Company 2 with Demerged Company, Demerged Company has issued and allotted 19 (nineteen) fully paid-up equity shares of ₹5 (Rupees five) each to the shareholders of Transferor Company 2, in the proportion of the number of shares held by the shareholders in Transferor Company 2.

Upon Part IV of the Composite Scheme of Arrangement becoming effective, all shares held by Transferor Company 2 in the share capital of Demerged Company as on Effective Date 3, stood cancelled.

Further, upon Part IV of the Composite Scheme of Arrangement becoming effective, Transferor Company 2 stood dissolved without winding up and the board and any committees thereof of Transferor Company 2 stood discharged. On and from the Effective Date 3, the name of Transferor Company 2 has been struck off from the records of the Registrar of Companies.

**(d) Amendment of Memorandum of Association of Demerged Company**

With effect from Effective Date 1, the authorized share capital of Demerged Company automatically stood increased to ₹2525,00,00,000 (Rupees two thousand five hundred and twenty-five crores) divided into 5,00,00,000 (Five crore) equity shares of ₹5 (Rupees five) each and 250,00,00,000 (Two hundred and fifty crore) non-convertible redeemable preference shares of ₹10 (Rupees ten) each.

With effect from Effective Date 2, the authorized share capital of Demerged Company automatically stood increased to ₹2546,00,00,000 (Rupees two thousand five hundred and forty-six crores) divided into 9,20,00,000 (Nine crore and Twenty Lakh) equity shares of ₹5 (Rupees five) each and 250,00,00,000 (Two hundred and fifty crore) non-convertible redeemable preference shares of ₹10 (Rupees ten) each.

With effect from Effective Date 3, the authorized share capital of Demerged Company automatically stood increased to ₹2546,10,00,000 (Rupees two thousand five hundred, forty-six crores and ten lakhs) divided into 9,22,00,000 (Nine crore and Twenty two Lakh) equity shares of ₹5 (Rupees five) each and 250,00,00,000 (Two hundred and fifty crore) non-convertible redeemable preference shares of ₹10 (Rupees ten) each.

Upon Part III of the Composite Scheme of Arrangement becoming effective, the name of Demerged Company stood changed to “TVS Holdings Limited”, by filing Form INC-24 with the Registrar of Companies.

The Composite Scheme of Arrangement was sanctioned by the NCLT by an order dated March 6, 2023.

For details of the Shareholding of our Company pursuant to the allotment in terms of the Composite Scheme of Arrangement please refer to chapter “*Capital Structure*” on page 31.

## OUR MANAGEMENT

Subject to the provisions of the Companies Act, 2013, SEBI Listing Regulations and our Articles of Association, the number of Directors on our Board shall not be less than six and not more than 15.

As on the date of this Information Memorandum, our Board comprises of eight Directors, including three Executive Directors, three Independent Directors and two Non-Independent Non-Executive Directors. Our Board comprises of two women Directors. The composition of the Board is in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

### Board of Directors

The following table sets forth details of our Board as of the date of filing of this Information Memorandum:

S. No.	Name, DIN, date of birth, designation, occupation, term and current period of directorship	Age (in years)	Directorship in other companies
1.	<p><b>Mr. R. Gopalan</b></p> <p><i>DIN:</i> 01624555</p> <p><i>Date of Birth:</i> April 20, 1952</p> <p><i>Designation:</i> Chairman and Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five years, with effect from March 13, 2023 till March 12, 2028, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since September 7, 2022</p> <p><i>Address:</i> D-256, 3<sup>rd</sup> Floor, Defence Colony, NCT of Delhi – 110 024, New Delhi, India</p>	71	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. TVS Motor Company Limited</li> <li>2. ZEE Entertainment Enterprises Limited</li> <li>3. TVS Credit Services Limited</li> <li>4. TVS Holdings Limited (<i>formerly known as Sundaram – Clayton Limited</i>)</li> <li>5. New Delhi Centre For Sight Limited</li> <li>6. MB Power (Madhya Pradesh) Limited</li> <li>7. ANA ARC Private Limited</li> <li>8. Play Games24x7 Private Limited</li> <li>9. U Games Private Limited</li> <li>10. Exalt Capital Private Limited</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. TVS Motor (Singapore) Pte. Limited, Singapore</li> </ol>
2.	<p><b>Mr. Venu Srinivasan</b></p> <p><i>DIN:</i> 00051523</p> <p><i>Date of Birth:</i> December 11, 1952</p> <p><i>Designation:</i> Chairman Emeritus and Managing Director</p> <p><i>Occupation:</i> Industrialist</p> <p><i>Current term:</i> For a period with effect from August 11, 2023 till May 22, 2024, liable to retire by rotation</p> <p><i>Period of directorship:</i> Since September 7, 2022</p> <p><i>Address:</i> “West Side House” No.3, Adyar Club Gate Road, Chennai – 600 028, Tamil Nadu, India</p>	71	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. TVS Holdings Limited (<i>formerly known as Sundaram – Clayton Limited</i>)</li> <li>2. TVS Motor Company Limited</li> <li>3. TATA Sons Private Limited</li> <li>4. TVS Credit Services Limited</li> <li>5. TVS Electric Mobility Limited</li> <li>6. Sundaram Auto Components Limited</li> <li>7. T.V. Sundram Iyengar &amp; Sons Private Limited</li> <li>8. TVS Housing Finance Private Limited</li> <li>9. LV Trustee Private Limited</li> <li>10. S. Venu Trustee Private Limited</li> <li>11. VS Trustee Private Limited</li> <li>12. Venu Srinivasan Trustee Private Limited</li> <li>13. Cheema Educational Foundation</li> <li>14. Namma School Foundation</li> <li>15. Indian Foundation For Quality Management</li> <li>16. TVS Cheema Scholarship Foundation</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. The Norton Motorcycle Co. Limited</li> <li>2. TVS Motor (Singapore) Pte Limited, Singapore</li> </ol>



S. No.	Name, DIN, date of birth, designation, occupation, term and current period of directorship	Age (in years)	Directorship in other companies
			3. TVS Digital Pte. Ltd., Singapore 4. Swiss E-Mobility Group (Holding) AG 5. Swiss E-Mobility Group (Schweiz) AG 6. Sundaram Holding USA Inc., USA
3.	<p><b>Dr. Lakshmi Venu</b></p> <p><i>DIN:</i> 02702020</p> <p><i>Date of Birth:</i> April 16, 1983</p> <p><i>Designation:</i> Managing Director</p> <p><i>Occupation:</i> Industrialist</p> <p><i>Current term:</i> For a period with effect from August 11, 2023 till March 21, 2025, liable to retire by rotation</p> <p><i>Period of directorship:</i> Since September 7, 2022</p> <p><i>Address:</i> New No.11, Old No.5, Murugappa Road, Kotturpuram, Chennai – 600 085, Tamil Nadu, India</p>	40	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. TVS Motor Company Limited</li> <li>2. TAFE Motors and Tractors Limited</li> <li>3. Tractors and Farm Equipment Limited</li> <li>4. Sundaram Auto Components Limited</li> <li>5. Sundaram Non-Conventional Energy Systems Limited</li> <li>6. LV Trustee Private Limited</li> <li>7. Sivasailam Chamraj Educational Foundation</li> <li>8. Sivasailam Chamraj Hospital Foundation</li> <li>9. TAFE Foundation</li> <li>10. Chennai Willingdon Corporate Foundation</li> </ol> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Sundaram Holding (USA) Inc.</li> <li>2. Sundaram-Clayton (USA) Limited</li> </ol>
4.	<p><b>Mr. Vivek Shripad Joshi</b></p> <p><i>DIN:</i> 09522758</p> <p><i>Date of Birth:</i> May 7, 1975</p> <p><i>Designation:</i> Whole-time Director and CEO</p> <p><i>Occupation:</i> Company executive</p> <p><i>Current term:</i> For a period of five years with effect from August 1, 2023 till July 31, 2028, liable to retire by rotation</p> <p><i>Period of directorship:</i> Since September 7, 2022</p> <p><i>Address:</i> J-11, Culture Crest, Spine Road, Near Spine City Mol, Sector no.6 Santnagar, Moshi, Pradhikaran, Alandi Rural, Pune – 412 105, Maharashtra, India</p>	48	<p><b>Indian Companies:</b></p> <p>NIL</p> <p><b>Foreign Companies:</b></p> <ol style="list-style-type: none"> <li>1. Sundaram Holding (USA) Inc.</li> <li>2. Sundaram-Clayton GmbH</li> </ol>
5.	<p><b>Mr. Chittranjan Dua</b></p> <p><i>DIN:</i> 00036080</p> <p><i>Date of Birth:</i> November 3, 1951</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five years, with effect from March 13, 2023 till March 12, 2028, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since March 13, 2023</p>	73	<p><b>Indian Companies:</b></p> <ol style="list-style-type: none"> <li>1. TVS Motor Company Limited</li> <li>2. Procter &amp; Gamble Hygiene and HealthCare Limited</li> <li>3. Gillette India Limited</li> <li>4. Pearl Global Industries Limited</li> <li>5. Cabot India Limited</li> <li>6. WIMCO Limited</li> <li>7. Linde Engineering India Private Limited</li> <li>8. TVS Holdings Limited (formerly known as Sundaram – Clayton Limited)</li> </ol>

S. No.	Name, DIN, date of birth, designation, occupation, term and current period of directorship	Age (in years)	Directorship in other companies
	<b>Address:</b> 88, Sunder Nagar, NCT of Delhi – 110 003, New Delhi, India		9. Mccann-Erickson India Private Limited 10. Amit Investments Private Limited 11. Sella Synergy India Private Limited 12. Associated Corporate Consultants India Private Limited 13. Result Services Private Limited 14. Inapex Private Limited  <b>Foreign Companies:</b> NIL
6.	<b>Mr. Rajesh Narasimhan</b> <b>DIN:</b> 07824276 <b>Date of Birth:</b> August 11, 1965 <b>Designation:</b> Non-Independent Non-Executive Director <b>Occupation:</b> Professional <b>Current term:</b> Liable to retire by rotation <b>Period of directorship:</b> Since September 7, 2022 <b>Address:</b> 23 Leonie Hill, No. 11-02, Singapore – 239 224	58	<b>Indian Companies:</b> 1. Altizon Systems Private Limited 2. Intellicar Telematics Private Limited 3. Fabric IOT Private Limited  <b>Foreign Companies:</b> 1. Altizon Inc (USA) 2. Predictronics Corporation USA 3. Scienaptic AI USA 4. Tagbox Pte Limited, Singapore 5. TVS Digital Pte Limited 6. Intellicar Singapore Pte Limited, Singapore
7.	<b>Ms. Sasikala Varadachari</b> <b>DIN:</b> 07132398 <b>Date of Birth:</b> September 17, 1954 <b>Designation:</b> Independent Director <b>Occupation:</b> Professional <b>Current term:</b> For a period of five years, with effect from March 13, 2023 till March 12, 2028, not liable to retire by rotation <b>Period of directorship:</b> Since September 7, 2022 <b>Address:</b> E-11, Hiranya Apartments, 84, Greenways Road, Extension R.A. Puram, Chennai – 600 028, Tamil Nadu, India	69	<b>Indian Companies:</b> 1. TVS Holdings Limited ( <i>formerly known as Sundaram – Clayton Limited</i> ) 2. TVS Motor Services Limited 3. Cholamandalam Securities Limited 4. Tube Investments of India Limited 5. CG Power and Industrial Solutions Limited  <b>Foreign Companies:</b> NIL
8.	<b>Mr. R Anandakrishnan</b> <b>DIN:</b> 07806173 <b>Date of Birth:</b> April 15, 1966 <b>Designation:</b> Non-Independent Non-Executive Director <b>Occupation:</b> Professional <b>Current term:</b> Liable to retire by rotation	57	<b>Indian Companies:</b> Ultraviolette Automotive Private Limited  <b>Foreign Companies:</b> PT. TVS Motor Company Indonesia

S. No.	Name, DIN, date of birth, designation, occupation, term and current period of directorship	Age (in years)	Directorship in other companies
	<p><i>Period of directorship:</i> Since November 10, 2023</p> <p><i>Address:</i> 2015, Sobha Suncrest, Kanakapura Road, Thalaghattapura Post Bengaluru, Karnataka - 560062</p>		

### Brief profiles of our Directors

**Mr. R. Gopalan** is an Independent Director of our Company. He is a retired IAS officer, was a Member of Public Enterprises Selection Board (“PESB”) under the control of the Prime Minister of India. This body selects chief managing directors, managing directors, and directors of Central Public Sector Enterprises (“CPSE”). PESB also helps in framing personnel policies for the CPSEs. During this period, he has assisted in selection of over 400 officers. Served as the secretary in the Department of Economic Affairs, Ministry of Finance, Government of India till July 31, 2012 before retirement.

He was handling matters relating to capital markets, Infrastructure finance, G-20, World Bank (“WB”), International Monetary Fund (“IMF”), Asian Development Bank (“ADB”), budget preparation, public private partnership, directorate of currency and other related matters pertaining to the economy.

He also represented the country effectively in the G-20 meetings, ADB, WB and IMF meetings. He has brought about a number of changes in the functioning of the capital markets and initiated new policy measures in infrastructure sector. He has also initiated number of measures to enhance financing for infrastructure sector. Further he has represented Government of India on the board of the Reserve Bank of India (“RBI”). He also chaired the Foreign Investment Promotion Board which clears proposals for foreign direct investment into India and was the cadre controlling authority for officers belonging to the Indian Economic Service.

During his time as the secretary in the Department of Financial Services, Ministry of Finance, he was overall in charge of banking, insurance and pension reforms. The function included: (i) supervision of policy support to public sector banks (“PSB”), insurance companies and development financial institutions (“DFI”) through policy guidelines, legislative and other administrative changes; (ii) monitoring their performance; (iii) policy formulation in respect of non-banking financial companies, private banks and foreign banks; (iv) support to regulatory authorities i.e., RBI, Insurance Regulatory and Development Authority, Pension Fund Regulatory and Development Authority, National Housing Board and National Bank for Agriculture and Rural Development (“NABARD”); (v) administration of the all laws relating to banks, DFIs and insurance companies; (vi) framing rules and regulations, wage settlement in banking and insurance industry; and (vii) coordination between industry, banks and financial institutions.

He was also responsible for selection of chairman and executive directors of PSBs, managing director of SMALL Industries Development Bank of India, chairman of NABARD, deputy governor of RBI, chairman and managing director of the State Bank of India, and chairman of SEBI. He was responsible for introduction of “Swavalamban”- an insurance scheme for unorganized sector and “Swabhiman”- a scheme for financial inclusion through business correspondents model.

He has served at the following positions and roles: (i) special secretary in the Department of Commerce, Ministry of Commerce and Industry; (ii) director general in anti-dumping and anti-subsidy investigations; (iii) director on the boards of MMTC Limited, State Trading Corporation of India Limited and PEC Limited. During his long and varied career in various departments of Government of India, he held several key assignments, like: (i) joint secretary, National Manufacturing Competitiveness Council; (ii) joint secretary in Commerce Department in charge of World Trade Organisation (“WTO”) and fair trade agreements’ negotiations; (iii) joint secretary in charge of export promotion division in the Commerce Ministry; and (iv) chief managing director, Tamil Nadu Industrial Development Corporation.

He has participated actively in ministerial meetings of WTO for trade negotiations at Doha, Cancun and Hong Kong, and assisted the Commerce Minister at the G-6, G-20 and G-10 meetings. He also participated in inter-governmental negotiations for free trade agreements in the areas of agriculture, services and environmental goods and had represented India in the trade negotiations at WTO.

As chairman of TIDEL Park Limited, he helped in financial closure, selection of design, selection of contractors through international competitive bidding, supervising construction and marketing of major software technology park at Chennai. He completed the project estimated to cost ₹ 340 crore within ₹ 297 crore. Helped the State Government of Tamil Nadu in formulation of policies on information technology and biotechnology.

He managed the establishment of auto ancillary park, hi-tech park for manufacturing hardware components, petrochemical park, floriculture infrastructure park for exports and rubber park.

Mr. R. Gopalan holds a master's degree in economics from Boston University and a master's degree in public administration and management from the John F. Kennedy School of Government, Harvard University.

He is currently the chairman of Zee Entertainment Enterprises Limited and director of TVS Motor Company Limited, TVS Credit Services Limited, TVS Holdings Limited, ANA ARC Private Limited, MB Power (Madhya Pradesh) Limited, New Delhi Centre for Sight Limited, Play Games 24x7 Private Limited and U Games Private Limited.

**Mr. Venu Srinivasan** is the Chairman Emeritus and Managing Director of our Company. He is a leading manufacturer of automotive components in India and also of TVS Motor Company Limited, one of the largest two-wheeler manufacturers in the world. He is also the chairman of TVS Holdings Limited, the holding company of TVS Motor Company Limited. He is the vice chairman of Tata Trusts, India's most respected and largest philanthropic foundation and the majority shareholder of the Tata group. He is a director on the Central Board of RBI.

He holds an engineering degree from the College of Engineering, Chennai, India and a master's degree in management from Purdue University, USA.

Mr. Venu Srinivasan has held various important positions in the Indian industry, such as the president, Confederation of Indian Industry and the president, Society of Indian Automobile Manufacturers.

He has several prestigious awards to his credit including the Padma Bhushan, the third-highest civilian award of India. The distinguished civilian honour "Order of Diplomatic Merit" (Heung-In Medal) was conferred by the President of Korea for his valuable contribution to promote Korea-India bilateral relations.

He was awarded the Deming Distinguished Service Award for Dissemination and Promotion (Overseas) Award (2019) by Japanese Union of Scientists and Engineers; the Ishikawa-Kano Award (2012) by the Asian Network of Quality, the apex body for quality in Asia. Under his leadership, his companies were awarded the Deming Prize and the Japanese Quality Medal in 2002.

His commitment of competitiveness and quality of our economy is manifested through his company's market presence in more than 80 countries across the globe.

Mr. Venu Srinivasan's dedication to the transformation of rural India by empowering women in the rural areas can be seen through his passion towards setting up the Srinivasan Services Trust which has touched the lives of 16 crore people in 2,500 villages across the country in the last 27 years.

Mr. Venu Srinivasan is the chairman of the Indo-Korean Cultural and Information Centre which is a non-profit society set up in 2006 with support from TVS Motor Company Limited and Hyundai Motor India Limited to promote a sustainable, meaningful intercultural dialogue between India and South Korea.

**Dr. Lakshmi Venu** is the Managing Director of our Company. She is a graduate from Yale University and holds a doctorate in engineering management from the University of Warwick. She is also a non-executive director of TVS Motor Company Limited, the subsidiary of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*).

She underwent her initial training in Sundaram Auto Components Limited, a subsidiary of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*). Thereafter, she underwent an extensive in-depth induction in TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*), wherein she has worked in the areas of business strategy, corporate affairs, product design and sales and marketing.

Prior to its demerger, she has been the lead architect in establishing TVS Holdings Limited's (*formerly known as Sundaram – Clayton Limited*) global footprint. Her decision to set up a foundry in the United States of America ("USA") in 2019 in Dorchester, South Carolina was almost prescient, as most USA based customers were looking for on-shore foundry units to reduce supply chain risks and curtail carbon footprint.

Dr. Lakshmi Venu is also the deputy managing director of TAFE Motors and Tractors Limited. She holds directorships in Tractors and Farm Equipment Limited and various other companies. Recently, she has been awarded the "BT Most Powerful Women in Business Award 2023".

**Mr. Vivek Shripad Joshi** is the Whole-time Director and CEO of our Company. Mr. Vivek Shripad Joshi has over 26 years of rich experience in automotive manufacturing industry in areas like plant operations, quality, engineering, systems, and metallurgy and has served organizations such as Greaves Limited, Perfect Alloy Components Private Limited, Ryobi Die Casting USA, Jaya Hind Industries Private Limited and Endurance Technologies.

Mr. Vivek Shripad Joshi completed his bachelor's degree in metallurgy from Government College of Engineering, Pune. He has a master's degree in industrial and systems engineering from the Ohio State University, Columbus, Ohio, USA and a master's in business administration from Indiana Tech University, USA. Mr. Vivek Shripad Joshi is also a Six Sigma Black Belt from the North Carolina State University, USA.

Mr. Vivek Shripad Joshi was the youngest member of the executive team of Ryobi Die Casting a well-known Japanese die casting company. For more than a decade of professional career in the USA, Mr. Vivek Shripad Joshi worked in various functions at Ryobi Die Casting including, research and development, process development, quality and engineering for USA and Mexico plants. Mr. Vivek Shripad Joshi frequently travelled to Japanese plants and was instrumental in studying various systems in Japan and bringing them to the plants in North America and Mexico. He was lead customer contact for customers like Ford, GM, Toyota, Hyundai, Nissan, Jatco and Allison.

In 2010, Mr. Vivek Shripad Joshi joined Jaya Hind Industries Private Limited, as senior general manager and was responsible for quality and operations systems for their various plants and locations for high pressure and gravity die-casting, machining, assembly and auto-component division. Mr. Vivek Shripad Joshi was instrumental in development of customer specific requirements for leading auto-OEMs in India and overseas. He was associated with Jaya Hind Industries Private Limited for six years. In 2016, Mr. Vivek Shripad Joshi joined Endurance Technologies as executive vice president of operations and was responsible for their entire Pune belt with various die-casting, machining, painting and alloy-wheel, plants.

Since last 25 years, Mr. Vivek Shripad Joshi is practicing lean manufacturing and advanced-problem-solving-tools including design of experiments and was fortunate to learn from leading professors at the Ohio State University, Columbus, USA and Juran Institute of Quality at NC State University. Mr. Vivek Shripad Joshi has worked with various Japanese experts in die-casting processes and problem solving-techniques and has been personally mentored in lean and total quality management practices and by well-known industrial professionals from North America, Japan, Germany, France and UK.

Mr. Vivek Shripad Joshi is 48 years old, and he and his wife Ms. Sarika, also a graduate from the Ohio State University USA, is Six-Sigma consultant, and they are blessed with two daughters, Shambhavi and Vaibhavi. Mr. Vivek Shripad Joshi is an avid traveller, traveling to multiple countries each year, a voracious reader interested in autobiographies and motivational books.

**Mr. Chittranjan Dua** is an Independent Director of our Company. He founded Dua Associates over 35 years ago and is currently chairman of the firm and engaged in providing strategic advice and direction for its further growth and development. He engages with the partners of the firm, its executive committee and sub-committees towards ensuring that the firm continues to retain its recognized leadership position in the uncertain and challenging environment nationally and internationally.

Mr. Chittranjan Dua's experience covers a broad range of areas relating to corporate and commercial matters, corporate finance, securities, infrastructure and aspects of public policy and administration, governance and ethics. He sits on the boards of Indian companies both listed and private, including Indian subsidiaries of many major multinational corporations primarily representing the interests of foreign collaborators and investors. He is also the chairman and an independent director of the board of Procter & Gamble Hygiene and Health Care Limited. He is a founding member of the American Chamber of Commerce in India and an invitee to its national executive

board. He has been an invitee to the national executive board of the Federation of Indian Chambers of Commerce & Industry.

He is one of the senior vice presidents of the Society of Indian Law Firms and among the chairpersons of the Legal Reforms Committee. He is also a member of the National Committee on Legal Services (2022-23) of Confederation of Indian Industry.

He is an avid tennis player and his interest in promoting sports are pursued as a special invitee to the executive committee of the International Lawn Tennis Club of India and vice president and co-chairman of sports committee of the Delhi Lawn Tennis Association.

An honour's graduate of St. Stephen's College, Mr. Chitranjan Dua also holds a master's degree in economics from the Delhi School of Economics.

**Mr. Rajesh Narasimhan** is a Non-Independent Non-Executive Director in our Company and chairs the Stakeholders Relationship committee. Mr. Rajesh Narasimhan, a Singaporean aged 58 years, is an alumnus of the Indian Institute of Management – Ahmedabad and holds a master's degree in computer applications and a bachelor's degree in statistics. He currently serves as the director and chief executive officer of TVS Digital Pte. Ltd., Singapore, a wholly owned subsidiary of TVS Motor Company Limited, that is being leveraged to operationalise a digital technology start-up focused on the automotive and fintech industries with portfolios and offerings that will deliver high quality solutions and platforms to help address real life business challenges by harnessing the power of exponential technologies including analytics, artificial intelligence, augmented reality, internet of things, machine learning and virtual reality.

He is also the TVS Digital Pte. Ltd., and TVS Motor Company Limited nominee director on the boards of several digital start-ups in which they have invested including Altizon Systems Private Limited, Fabric IoT Private Limited, Intellicar Telematics Private Limited, Predictronics Corporation USA and Scienaptic AI USA. He has also served as a non-executive independent director and as a non – executive non-independent director on the boards of TVS Motor Company Limited (May 2017 – March 2021) and TVS Motor (Singapore) Pte. Ltd., (March 2021 – September 2023) in addition to serving as a non-executive director on the boards of Parrot Solutions Pte. Limited, a Singapore incorporated digital start-up between May 2017 – January 2021 and Tagbox Solutions (both in India and Singapore) between May 2019 – September 2023.

Mr. Rajesh Narasimhan is an innovative and highly adaptable leader with more than three and a half decades of experience in both start-up and mature organizations across multiple industries including information technology, consumer durables and consumer electronics and brings extensive experience in general management, executive and technology leadership, business and digital transformation and leadership and talent development.

Mr. Rajesh Narasimhan has a successful and credible career track record at various TVS companies, CSC / Covansys (public listed, USA headquartered and a CSC group company) and Hewlett Packard, where he has been highly rated and valued as a quality top talent consistently delivering in every role and growing rapidly within the respective organizations. He held several senior executive positions at Hewlett Packard where he successfully led multiple business transformations and turnarounds last leading the delivery of their multi-billion dollar enterprise services business across 25 countries in Asia Pacific and Japan where he had accountability for over 15,000 employees and more than 400 partners and vendors. Prior to this, he also served as the vice president and general manager of the enterprise services business in Asia and as vice president of Hewlett Packard's multi-billion dollar applications services business for Asia Pacific and Japan.

Mr. Rajesh Narasimhan has advised several Fortune 500 clients on their business transformation through digital and technology innovation leveraging automation, cloud, cyber-security, data analytics and management, mobility and social and is currently helping our Company and TVS Motor Company Limited group companies with digital transformation and cybersecurity initiatives. He is very passionate and highly focused on human capital management including leadership and talent development and has an established track record in acquiring, developing and retaining talent and in building high performance teams.

Prior to joining Hewlett Packard in June 2010, Mr. Rajesh Narasimhan had over 15 years tenure with CSC / Covansys during which he lived and worked in France, the Middle East and Singapore establishing and expanding its business and presence in the Asia Pacific, Japan and the Middle East geography last serving as their senior vice president and head for the geography. Prior to joining CSC / Covansys in January 1994, he held several executive

positions with TVS companies in India including at TVS Holdings Limited (*formerly Sundaram – Clayton Limited*), TVS Whirlpool and TVS Electronics.

**Ms. Sasikala Varadachari** is an Independent Director on the Board of our Company. She holds a master's degree in economics from Madras University. She is also a certified associate of Indian Institute of Bankers. She is a retired banker with over 37 years of experience in the fields of banking operations both in India and overseas.

She retired as chief general manager of State Bank of India ("SBI"), spearheading the strategic training unit, SBI, corporate centre Mumbai, having profound knowledge in credit and merchant banking.

She was the first chief executive officer of SBI in Israel and was responsible for setting up SBI's commercial operations there.

She is presently on the board of TVS Holdings Limited, Tube Investments of India Limited, Cholamandalam Securities Limited and CG Power & Industrial Solutions Limited.

**Mr R Anandakrishnan** is a qualified Mechanical Engineering from Annamalai University, Chidambaram, Tamil Nadu, and also pursued his double Executive MBA from Milton Keynes, UK and then from Michigan University GPMD (Global Program for Managers).

He has been an integral part of various companies within the TVS Group. He brings with him over 33 years of industry experience in Manufacturing, Sales, Marketing, Business Planning, Human Resources, and Information Technology in varied business environments in India and overseas markets.

His areas of specialization and interest include Business HR strategy, change management, leadership development, organization restructuring/design and compensation & benefits.

He has held the position of the Chairman of the Economic Research Group of Society of Indian Automobile Manufacturers (SIAM) from 2009 to 2011. He currently co-chairs the Human Capital Group of SIAM.

#### **Relationship between Directors**

Other than Dr. Lakshmi Venu, who is the daughter of Mr. Venu Srinivasan, none of our Directors are related to each other or to any of the Key Managerial Personnel or Senior Management.

#### **Details of directorship in companies suspended or delisted**

None of our Directors is, or was, a director of any listed company whose shares were suspended from being traded on any stock exchange during the term of their directorship in such company, in the five years prior to the date of this Information Memorandum.

None of our Directors is, or was, a director of any listed company which was delisted from any stock exchange, during the term of their directorship in such company.

#### **Confirmations**

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

#### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Directors have been appointed pursuant to any other arrangement or understanding with our major Shareholders, customers, suppliers, or others.

#### **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.

#### **Remuneration of Mr. Venu Srinivasan as Chairman Emeritus and Managing Director**

Mr. Venu Srinivasan was re-appointed as the chairman and managing director of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) for a period of five years with effect from May 23, 2019 to May 22, 2024. Thereafter, he was designated as the chairman emeritus, effective from April 1, 2022. Consequent to the demerger of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*), he was designated as non-executive chairman of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) and ceased to be the chairman emeritus and managing director, effective from August 11, 2023.

Subsequently, Mr. Venu Srinivasan was appointed as the Chairman Emeritus and Managing Director of our Company, on the same terms and conditions as in TVS Holdings Limited (*formerly Sundaram – Clayton Limited*), with effect from August 11, 2023 and pursuant to a resolution passed by our Board of Directors at their meeting held on August 9, 2023 and a resolution passed by our shareholders at their EGM held on August 10, 2023. He continues as the Chairman Emeritus and Managing Director of our Company till May 22, 2024, on the same terms and conditions as at TVS Holdings Limited (*formerly Sundaram – Clayton Limited*). The details of the remuneration and perquisites payable to him during the term of his office, include the following:

- (a) salary per month aggregating to ₹ 4.25 lakhs;
- (b) commission at such percentage of net profits of our Company as may be determined by our Board, from time to time; and
- (c) perquisites, in addition to salary and commission, as per the rules of our Company.

The said remuneration is subject to annual increment as determined by the Board on the recommendation of the Nomination and Remuneration Committee subject to the maximum limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 and subject to approval of our Equity Shareholders.

#### **Remuneration of Dr. Lakshmi Venu as Managing Director**

Dr. Lakshmi Venu was re-appointed as the managing director in TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) for a period of five years effective from March 22, 2020 to March 21, 2025. Consequent to the demerger of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*), she ceased to be the managing director of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) effective from August 11, 2023.

Dr. Lakshmi Venu was appointed as a Managing Director of our Company with effect from August 11, 2023, pursuant to a resolution passed by our Board of Directors at their meeting held on August 9, 2023 and a resolution passed by our shareholders at their EGM held on August 10, 2023. She continues as the Managing Director of our Company till March 21, 2025, on the same terms and conditions as at TVS Holdings Limited (*formerly Sundaram – Clayton Limited*). The details of the remuneration and perquisites payable to her during the term of her office, include the following:

- (a) salary per month aggregating to ₹ 7.50 lakhs;
- (b) commission at such percentage of net profits of our Company as may be determined by our Board, from time to time; and
- (c) perquisites, in addition to salary and commission, as per the rules of our Company.

The said remuneration is subject to annual increment as determined by the Board on the recommendation of the Nomination and Remuneration Committee subject to the maximum limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 and subject to approval of our Equity Shareholders.

#### **Remuneration of Mr. Vivek Shripad Joshi as Whole-time Director and CEO**



Mr. Vivek Shripad Joshi was appointed as the chief executive officer of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) effective from January 25, 2019. Consequent to the demerger of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*), he ceased to be the chief executive officer of TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) effective from August 11, 2023.

Mr. Vivek Shripad Joshi was appointed a Whole-time Director and CEO of our Company with effect from August 1, 2023, pursuant to a resolution passed by our Board of Directors at their meeting held on July 25, 2023 and a resolution passed by our shareholders at their EGM held on July 27, 2023. His current tenure is up to July 31, 2028. The details of the remuneration and perquisites payable to him during the term of his office, include the following:

- (a) salary per month of fixed pay aggregating to ₹16.80 lakhs and a variable pay of ₹14.30 lakhs;
- (b) commission as may be determined by the Board based on our Company's performance; and
- (c) perquisites, in addition to salary and commission, as per the rules of our Company.

The said remuneration is subject to annual increment as determined by the Board on the recommendation of the Nomination and Remuneration Committee subject to the maximum limit prescribed under Section 197 read with Schedule V of the Companies Act, 2013 and subject to approval of our Equity Shareholders.

#### **Payment or Benefit to Directors**

No amount or benefit has been paid, or given, within the two preceding years from the date of this Information Memorandum, or is intended to be paid, or given, to any of the officers of our Company, other than in the ordinary course of their employment or engagement with our Company.

#### **Remuneration paid to Managing Director and Executive Directors**

On account of non-appointment of Executive Directors on our board during Fiscal 2022 and Fiscal 2023, no remuneration was paid in this regard.

Further the details of remuneration paid to our Executive Directors by TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) during Fiscal 2023, which is shown in our Restated Consolidated Financial Information, are given below:

<b>Name of Director</b>	<b>Total remuneration (in ₹)</b>
Mr. Venu Srinivasan	99,06,770
Dr. Lakshmi Venu	9,61,78,747
Mr. Vivek Shripad Joshi	3,26,46,354

#### **Remuneration paid to Non-Independent Non-Executive Directors**

On account of non-appointment of Non-Independent Non-Executive Directors on our board during Fiscal 2022 and Fiscal 2023, no remuneration was paid in this regard.

The details of remuneration paid by TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) to our Non-Independent Non-Executive Directors for Fiscal 2023, which is shown in our Restated Consolidated Financial Information, are as follows:

<b>Name of Director</b>	<b>Total remuneration (in ₹)</b>
Mr. Rajesh Narasimhan	80,000*

\* By way of sitting fees.

#### **Remuneration paid to Independent Directors**

On account of non-appointment of Independent Directors on our board during Fiscal 2022 and Fiscal 2023, no remuneration was paid in this regard.

The details of remuneration paid by TVS Holdings Limited (*formerly Sundaram – Clayton Limited*) to our Independent Directors for Fiscal 2023 are as follows:

Name of Director	Total remuneration (in ₹)
Mr. R. Gopalan	7,32,192
Mr. Chittranjan Dua	98,082
Ms. Sasikala Varadachari	19,80,000

### Terms of appointment of our Independent Directors

Our Independent Directors are entitled to reimbursement of expenses for attending meetings of the Board and the Committees. Pursuant to a resolution passed by our Board of Directors at their meeting held on July 25, 2023, each of the Independent Directors of our Company is entitled to a sitting fee of ₹10,000 for attending each meeting of our Board and a sitting fee of ₹10,000 for attending each meeting of the committees of our Board.

### Terms of appointment of our Non-Independent Non-executive Directors

Our Non-Independent Non-executive Directors are entitled to reimbursement of expenses for attending meetings of the Board and the Committees. Pursuant to a resolution passed by our Board of Directors at their meeting held on July 25, 2023, each of the Non-Independent Non-executive Directors of our Company is entitled to a sitting fee of ₹10,000 for attending each meeting of our Board and a sitting fee of ₹10,000 for attending each meeting of the committees of our Board.

### Bonus or profit-sharing plan for our Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

### Shareholding of our Directors in our Company

Our Articles of Association do not require that our Directors hold any qualification shares.

Except as disclosed in the section titled “*Capital Structure*” on page 31, none of our Directors hold any Equity Shares in our Company.

### Borrowing Powers of the 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 ₹150 crore and to create charge/provide security for the sum borrowed on the assets of our Company.

### Interest of Directors

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, and other remuneration and reimbursement of expenses, if any, payable to them by our Company. For further details, please see “*Details of terms of appointment of our Executive Directors*” and “*Payment or Benefit to Directors*” above.

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 other distributions in respect of such Equity Shares. For further details, please see “*Capital Structure*” on page 31.

Except, Mr. Venu Srinivasan and Dr. Lakshmi Venu, none of our Directors have any interest in promotion or formation of our Company as on the date of this Information Memorandum.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements or arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners.

None of our Directors have any interest in any venture that is involved in activities similar to those conducted by our Company.

Except in the ordinary course of business and as disclosed in “*Information Memorandum Summary – Related Party Disclosures*” on page 6, our Directors do not have any other business interest in our Company.

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.

No loans have been availed by the Directors from our Company or Subsidiaries.

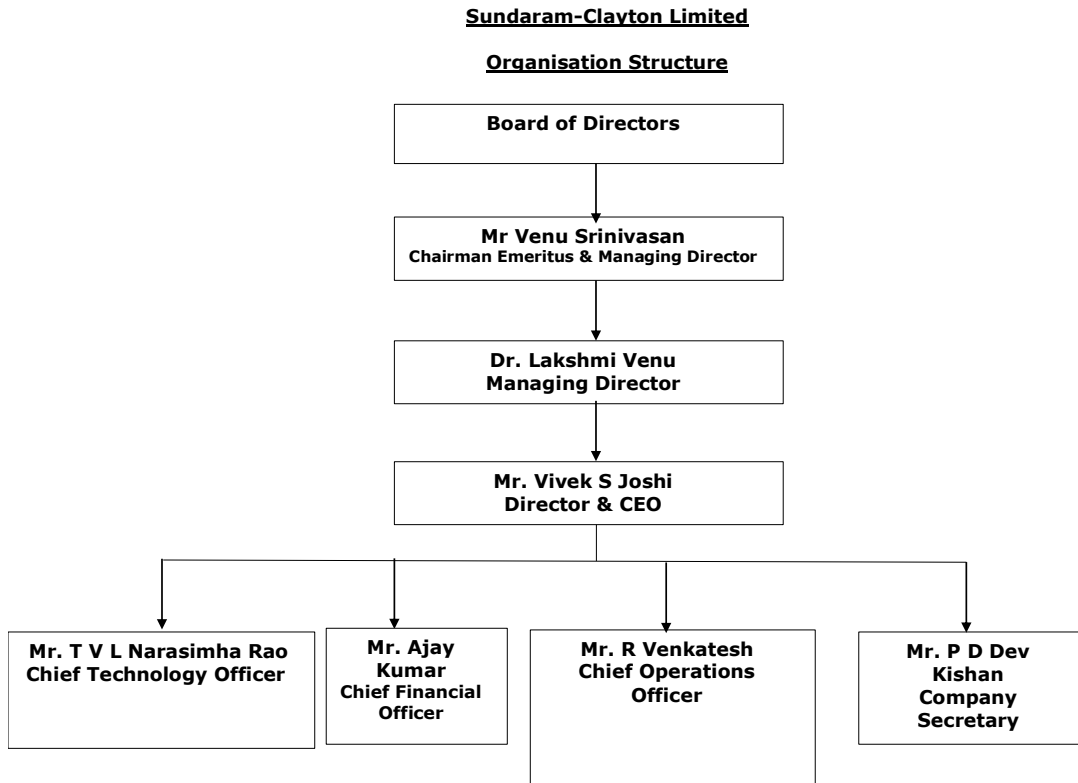
#### **Employee stock option plan or employee stock purchase plan**

As on the date of this Information Memorandum, our Company does not have any employee stock option scheme or employee stock purchase plan.

#### **Changes in our Board in the last three years:**

<b>Name</b>	<b>Designation</b>	<b>Date of appointment/cessation</b>	<b>Reason</b>
Mr. R Anandakrishnan	Non-Independent Non-Executive Director	November 10, 2023	Appointment
Mr. Venu Srinivasan	Chairman Emeritus and Managing Director	August 11, 2023	Change in designation
Dr. Lakshmi Venu	Managing Director	August 11, 2023	Change in designation
Mr. Vivek Shripad Joshi	Whole-time Director and CEO	August 1, 2023	Change in designation
Mr. R. Gopalan	Independent Director	March 13, 2023	Change in designation
Ms. Sasikala Varadachari	Independent Director	March 13, 2023	Change in designation
Mr. Chittranjan Dua	Independent Director	March 13, 2023	Appointment
Mr. R. Gopalan	Non-Independent Non-Executive Director	September 7, 2022	Appointment
Mr. Venu Srinivasan	Non-Independent Non-Executive Director	September 7, 2022	Appointment
Dr. Lakshmi Venu	Non-Independent Non-Executive Director	September 7, 2022	Appointment
Mr. Rajesh Narasimhan	Non-Independent Non-Executive Director	September 7, 2022	Appointment
Ms. Sasikala Varadachari	Non-Independent Non-Executive Director	September 7, 2022	Appointment
Mr. Vivek Shripad Joshi	Non-Independent Non-Executive Director	September 7, 2022	Appointment
Mr. V Gopalakrishnan	Non-Independent Non-Executive Director	September 7, 2022	Resignation
Mr. N Srinivasa Ramanujam	Non-Independent Non-Executive Director	September 7, 2022	Resignation
Mr. R Raja Prakash	Non-Independent Non-Executive Director	September 7, 2022	Resignation
Mr. R Raja Prakash	Non-Independent Non-Executive Director	February 9, 2022	Appointment

## **Management organisation structure**



## KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

### Brief profiles of our Key Managerial Personnel

In addition to Mr. Venu Srinivasan, our Chairman Emeritus and Managing Director, Dr. Lakshmi Venu, our Managing Director and Mr. Vivek Shripad Joshi, our Whole-time Director and CEO, whose details are provided in “– *Brief profiles of our Directors*”, the details of our Key Managerial Personnel are provided below:

**Mr. Ajay Kumar** is the CFO of our Company effective from August 11, 2023. He joined TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*) on August 1, 2019 and post its demerger, has been appointed as the CFO of our Company. He holds a bachelor’s degree and a master’s degree, each in commerce and from the Ranchi University and is an associate member of Institute of Cost Accountants of India and also a fellow & associate member of the Chartered Institute of Management Accountants (CIMA), UK. He has 24 years of experience in the field of finance. He has previously worked as the (i) accounts officer in Pepsico Inc.; (ii) deputy officer at Atlas Cycles (Haryana) Limited; (iii) senior executive at Shivam Autotech Limited; and chief financial officer at Minda Instruments Limited (*formerly known as Minda Stoneridge Instruments Limited*). His gross remuneration for Fiscal 2023 was ₹ 94.84 lakhs. He is a permanent employee of our Company.

**Mr. P D Dev Kishan** is the Company Secretary and Compliance Officer of our Company. He joined our Company with effect from August 11, 2023. He holds a bachelor’s degree in commerce from the Madras University, a master’s degree in business law from the National Law School of India University and is an associate member of the ICSI. He has eight years of experience in the fields of compliance, law, and secretarial work. His gross remuneration for Fiscal 2023 was ₹ NIL. He is a permanent employee of our Company.

### Brief profiles of our Senior Management

In addition to Mr. Ajay Kumar, our CFO and Mr. P D Dev Kishan, our Company Secretary and Compliance Officer, whose details are provided in “– *Brief profiles of our Key Managerial Personnel*”, the details of our Senior Management are provided below:

**Mr. T V L Narasimha Rao** is the Chief Technology Officer of our Company. He joined TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*) on June 28, 2005. Consequent to the demerger of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*), he continues as the chief technology officer of our Company with effect from August 11, 2023. He holds a bachelor’s degree in engineering from the Andhra University and a master’s degree in technology from the REC Warangal and a Ph.D from the Indian Institute of Science, Bangalore. He has 38 years of experience in the field of research and development. He has previously worked with Mishra Dhatu Nigam Limited in his capacity as a manager. His gross remuneration for Fiscal 2023 was ₹ 130.61 lakhs. He is a permanent employee of our Company.

**Mr. R Venkatesh** is the Chief Operations Officer of our Company. Mr. R Venkatesh graduated with a B.E., (Hons.) in mechanical engineering and M.Sc., (Hons.) in economics from BITS, Pilani and M.Sc., in manufacturing systems engineering from the University of Warwick, United Kingdom.

Having 24 years of rich experience in auto component industry, Mr. R Venkatesh has worked in multiple group companies of TVS - Sundaram Clayton group such as (i) the brakes division of TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) which was later transferred to ZF Commercial Vehicle Systems India Private Limited (five years); (ii) the die-casting division of Sundaram Clayton Limited (8 years); (iii) Harita Seating Systems Limited & Harita Fehrer Limited (10 years).

He has worked in various functions in these group companies such as production engineering, business planning, project management, operations and currently working in our Company’s die casting division as vice president – business planning, human resources and total quality management and driving process improvements and organization capability development in the total quality management journey of the Demerged Undertaking.

He has been part of multiple business transformations during stints in TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) and Harita to enable profitable growth aligned with long range plans and played a key role during total quality management journey of the brakes division of TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) which was later transferred to ZF Commercial Vehicle Systems India

Private Limited as core member for challenging Deming Grand Prize (former JQM) and SCL was awarded in year 2003. Under his able leadership Harita Seating Systems Limited got Frost & Sullivan award for Manufacturing Excellence. He has been instrumental in set-up Harita Seating Production System (HSPS) based on the visionary small and medium enterprises (“VSME”) way of working (TPS) and authored a book on Harita’s success story of VSME journey, published by JICA, Japan.

He has worked with various academic institutions in promoting Visionary Learning Community of India to train college staff to prepare their students as ‘Manufacturing Change Leaders’ with skill to contribute to the industry. His areas of expertise consists of total quality management, strategic planning, operations management, supply chain management, assembly re-engineering & low cost automation, lean manufacturing, process planning and design, mergers & acquisition, project management & talent management.

He has been trained for Visionary Leaders for Manufacturing and was member of TN Manufacturing Panel, CII from year 2017 to 2019 and is a member of the core group to drive VSME in India.

### **Status of Key Managerial Personnel and Senior Management**

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

### **Relationship of Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel or Senior Management are related to each other.

### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

None of our Key Managerial Personnel or Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

### **Shareholding of the Key Managerial Personnel and Senior Management**

Except as disclosed in the section titled “*Capital Structure*” on page 31, none of our Key Managerial Personnel or Senior Management hold any Equity Shares in our Company.

### **Change in our Key Managerial Personnel and Senior Management in the last three years**

<b>Name of the Key Managerial Personnel</b>	<b>Designation</b>	<b>Date of appointment/cessation</b>	<b>Reason</b>
Mr. Venu Srinivasan	Chairman Emeritus and Managing Director	August 11, 2023	Appointment
Dr. Lakshmi Venu	Managing Director	August 11, 2023	Appointment
Mr. Vivek Shripad Joshi	Whole-time Director and CEO	August 1, 2023	Appointment
Mr. Ajay Kumar	CFO	August 11, 2023	Appointment
Mr. P D Dev Kishan	Company secretary	August 11, 2023	Appointment

<b>Name of the Senior Management</b>	<b>Designation</b>	<b>Date of appointment/cessation</b>	<b>Reason</b>
Mr. R Venkatesh	Chief Operations Officer	October 25, 2023	Change in designation
Mr. T V L Narasimha Rao	Chief technology officer	August 11, 2023*	Appointment
Mr. R Venkatesh	Vice president (business planning, human resources and total quality management)	August 11, 2023**	Appointment

\* original appointment as Senior Management is June 28, 2005 in TVS Holdings Limited (formerly known as Sundaram – Clayton Limited). Consequent to its demerger, his role continues in our Company.

\*\* original appointment as Senior Management is April 1, 2014 in TVS Holdings Limited (formerly known as Sundaram – Clayton Limited). Consequent to its demerger, his role continues in our Company.

### **Service contracts with Key Managerial Personnel or 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.

### **Bonus or profit-sharing plan for our Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company.

### **Interests of Key Managerial Personnel and Senior Management**

The Key Managerial Personnel and Senior Management do not have any interest in our Company other than (i) as stated in “*Financial Information – Restated Consolidated Financial Information – Note 37: Related Party Transactions*” ; or (ii) to the extent of the remuneration and other employment benefits to which they are entitled to as per their terms of employment for service rendered as officers or employees of our Company. 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 by them in our Company.

None of the Key Managerial Personnel or Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Directors or Senior Management, which does not form part of their remuneration.

### **Payment or Benefit to Key Managerial Personnel and Senior Management of our Company**

No non-salary amount or benefit has been paid or given within the two preceding years of this Information Memorandum or is intended to be paid or given to any of the officers of our Company, including the Key Managerial Personnel and Senior Management.

### **Attrition rate of Key Managerial Personnel and Senior Management**

On account of no resignations of any of our Key Managerial Personnel and Senior Management from the Effective Date 4, there has been no attrition in our Company.

The attrition Rate of the key managerial personnel and senior management of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*), prior to its demerger was not high, as compared to the industry.

## **CORPORATE GOVERNANCE**

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company administers corporate governance through the Board of Directors and the Committees of the Board. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations and the Companies Act, 2013 and other applicable regulations, in respect of corporate governance, including in relation to the constitution of the Board and committees thereof, and formulation and adoption of policies.

### **Committees of the Board of our Company**

In addition to the committees of our Board detailed below, our Board may, from time to time, constitute committees for various functions and all the committees shall be entitled to exercise such powers and functions as prescribed under applicable laws.

Our Company has constituted the following Board committees in terms of the SEBI Listing Regulations:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders’ Relationship Committee;
- (d) Corporate Social Responsibility Committee;

- (e) Risk Management Committee; and
- (f) Scheme Implementation Committee.

#### I. *Audit Committee*

Our Audit Committee was constituted pursuant to a resolution of our Board dated August 11, 2023. The terms of reference of the Audit Committee were formulated and approved in the meeting of our Board dated August 11, 2023. The current constitution of the Audit Committee is as follows:

<b>Name of the Director</b>	<b>Position on the committee</b>	<b>Designation</b>
Mr. R Gopalan	Chairperson	Independent Director
Mr. Chittranjan Dua	Member	Independent Director
Ms. Sasikala Varadachari	Member	Independent Director

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) To investigate any activity within its terms of reference;
  - (b) To seek information from any employee of the Company;
  - (c) To obtain outside legal or other professional advice;
  - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
  - (e) Such powers as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company;
  - (c) Approval of payments to statutory auditors for any other services rendered by them;
  - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - i. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section (3) of Section 134 of the Companies Act, 2013;
    - ii. changes, if any, in accounting policies and practices and reasons for the same;
    - iii. major accounting entries involving estimates based on the exercise of judgment by the management;
    - iv. significant adjustments made in the financial statements arising out of audit findings;
    - v. compliance with listing and other legal requirements relating to financial statements;
    - vi. disclosure of any related party transactions; and
    - vii. modified opinion(s) in the draft audit report.
  - (e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
  - (f) Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;



- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Approval or any subsequent modification of transactions of the Company with related parties:
  - i. Recommend criteria for omnibus approval or any changes to the criteria for approval of the Board;
  - ii. Make omnibus approval for related party transactions proposed to be entered into by the Company for every Financial Year as per the criteria approved;
  - iii. Review of transactions pursuant to omnibus approval;
  - iv. Make recommendation to the Board, where Audit Committee does not approve transactions other than the transactions falling under Section 188 of the Companies Act, 2013;
- (i) Scrutiny of inter-corporate loans and investments;
- (j) Valuation of undertaking or assets of the Company, wherever it is necessary;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (m) Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (n) Discuss with internal auditors of any significant findings and follow up there on;
- (o) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (p) Discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (q) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (r) Review of the functioning of the whistle blower mechanism / oversee the vigil mechanism;
- (s) Approval of the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc., of the candidate;
- (t) Mandatorily review the following:
  - i. Management Discussion and Analysis of financial conditions and results of operations;
  - ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - iii. Internal audit reports relating to internal control weaknesses;
  - iv. Appointment, removal and terms of remuneration of the chief internal auditor;
  - v. Statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**");
    - (b) annual statement of funds utilised for purpose other than those stated in the offer document / prospectus in terms of Regulation 32(7) of the SEBI Listing Regulations;

- (u) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments;
- (v) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- (w) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable; and
- (x) review the financial statements, in particular, the investments made by any unlisted subsidiary.

## II. *Nomination and Remuneration Committee*

Our Nomination and Remuneration Committee was constituted pursuant to a resolution of our Board dated August 11, 2023. The terms of reference of the Nomination and Remuneration Committee were formulated and approved in the meeting of our Board dated August 11, 2023. The current constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Director</b>	<b>Position on the committee</b>	<b>Designation</b>
Mr. Chittranjan Dua	Chairperson	Independent Director
Mr. R Gopalan	Member	Independent Director
Ms. Sasikala Varadachari	Member	Independent Director

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - (i) use the services of an external agencies, if required;
  - (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - (iii) consider the time commitments of the candidates.
- (d) Devising a policy on Board diversity;
- (e) Identify persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- (f) Consider extension or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors;
- (g) Specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- (h) Review human resource policies and overall human resources of the Company;

- (i) Recommend to the Board, all remuneration, in whatever form, payable to senior management;
- (j) Administer, monitor and formulate detailed terms and conditions of the employees' stock option schemes; and
- (k) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

### III. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted pursuant to a resolution of our Board dated August 11, 2023. The terms of reference of the Stakeholders' Relationship Committee were formulated and approved in the meeting of our Board dated August 11, 2023. The current constitution of the Stakeholders' Relationship Committee is as follows:

Name of the Director	Position on the committee	Designation
Mr. Rajesh Narasimhan	Chairperson	Non-Independent Non-Executive Director
Mr. R Gopalan	Member	Independent Director
Dr. Lakshmi Venu	Member	Managing Director

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178(6) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) Oversee the performance of the Company's Registrars and Transfer Agents;
- (b) Consider, resolve and monitor various aspects of interest of shareholders, debenture holders and other security holders including the redressal of investors' / shareholders' / security holders' grievances related to transfer / transmission of securities, non-receipt of annual reports, non-receipt of declared dividend, issue new / duplicate certificates, general meetings and so on;
- (c) Review of measures taken for effective exercise of voting rights by shareholders;
- (d) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
- (e) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- (f) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

### IV. Corporate Social Responsibility Committee

Our Corporate Social Responsibility Committee was constituted pursuant to a resolution of our Board dated August 11, 2023. The terms of reference of the Corporate Social Responsibility Committee were formulated and approved in the meeting of our Board dated August 11, 2023. The current constitution of the Corporate Social Responsibility Committee is as follows:

Name of the Director	Position on the committee	Designation
Mr. Venu Srinivasan	Chairperson	Chairman Emeritus and Managing Director
Dr. Lakshmi Venu	Member	Managing Director
Ms. Sasikala Varadachari	Member	Independent Director

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

- (a) Formulate and recommend to the board, a corporate social responsibility policy indicating the activities/projects/programs to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder;
- (b) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities;
- (c) Monitor CSR Policy of the Company from time to time and its implementation from time to time;
- (d) To approve annual report on corporate social responsibility activities to be annexed to the Board's Report;
- (e) Approve Corporate Sustainability Reports and oversee the implementation of sustainability activities;
- (f) Monitor the CSR activities undertaken by the Company;
- (g) Oversee the implementation of polices contained in the Business Responsibility Policy Manual and to make any changes / modifications, as may be required, from time to time and to review and recommend the Business Responsibility and Sustainability Report (BRSR) to the Board for its approval; and
- (h) Carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

#### **V. Risk Management Committee**

Our Risk Management Committee was constituted pursuant to a resolution of our Board dated August 11, 2023 . The terms of reference of the Risk Management Committee were formulated and approved in the meeting of our Board dated August 11, 2023. The current constitution of the Risk Management Committee is as follows:

<b>Name of the Director</b>	<b>Position on the committee</b>	<b>Designation</b>
Ms. Sasikala Varadachari	Chairperson	Independent Director
Dr. Lakshmi Venu	Member	Managing Director
Mr. Chittranjan Dua	Member	Independent Director
Mr. Vivek Shripad Joshi	Member	Whole-time Director and CEO

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and the applicable provisions of the Companies Act, 2013, and its terms of reference are as follows:

- (a) To formulate a detailed risk management policy which shall include:
  - (i) framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the committee;
  - (ii) measures for risk mitigation, including systems and processes for internal control of identified risks; and
  - (iii) business continuity plan.
- (b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (c) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (d) Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- (e) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (f) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (g) to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (h) Continually obtain reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed;
- (i) The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors; and
- (j) To attend to such other matter(s) and function(s) as may be prescribed from time to time. The Risk Management Committee shall perform such other duties, as are required to be performed by the Committee, under the applicable laws and SEBI Listing Regulations.

#### **VI. Scheme Implementation Committee**

Our Scheme Implementation Committee was constituted pursuant to a resolution of our Board dated August 11, 2023. The terms of reference of the Scheme Implementation Committee were formulated and approved in the meeting of our Board dated August 11, 2023. The current constitution of the Scheme Implementation Committee is as follows:

<b>Name of the Director</b>	<b>Position on the committee</b>	<b>Designation</b>
Dr. Lakshmi Venu	Chairperson	Managing Director
Ms. Sasikala Varadachari	Member	Independent Director
Mr. Vivek Shripad Joshi	Member	Whole-time Director and CEO

The scope and function of the Scheme Implementation Committee is to carry out all such steps as may be necessary for the purpose of giving effect to the Scheme including implementation thereof and shall not be limited to:

- a) Finalize the draft offer documents for issue of equity shares and file the same with Stock Exchanges and to forward the same to SEBI and other regulatory authorities and to finalize the date of allotment of equity shares and preference shares to the shareholders of the Company in terms of the Scheme and undertake post issue compliance;
- b) Appoint intermediaries, agents, consultants, advisors, accountants, lawyers etc., and to finalise terms of their appointment including their fees etc., and to finalize arrangements with such intermediaries;
- c) Issue necessary directions by way of resolution(s), as maybe required for allotment of preference shares and equity shares in terms of the Composite Scheme of Arrangement;
- d) Finalize Record Date 2 for the purpose of determining the shareholders of the Company for issue of the equity shares and preference shares, pursuant to the Composite Scheme of Arrangement;
- e) Seek, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required, including but not limited to the approval of SEBI, stock exchanges etc., in connection with the issue, offer and allotment of the Equity Shares and Preference Shares (if applicable);
- f) Appoint Trustee for holding shares in trust to be allotted against the physical equity shareholding in the Company in terms of the Composite Scheme of Arrangement;

- g) Issue advertisements in such newspapers as it may deem fit and proper in accordance with the applicable laws;
- h) Open, maintain, operate and close a bank account of our Company;
- i) Submit undertaking/certificates or provide clarifications to SEBI, the Stock Exchanges and any authority(ies);
- j) Do all such acts, deeds, matters and things and to negotiate, execute all such agreements, certificates, declarations, consents, documents, undertakings, instruments, applications, and/or giving such direction, including any direction to settle all questions, removing any difficulties or doubts that may arise from time to time or allotment of equity shares and preference shares, in such manner as the Board may deem fit, and giving such directions and/or instructions as it may from time to time decide and accepting and giving effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, and taking such actions or giving such directions as may be necessary or desirable and as it deems fit or as may be necessary or desirable etc. as may be required in relation to the issue of equity shares and preference shares in terms of the Scheme and to delegate all or any of its powers to any of the aforesaid authorities to any Director, officer or employee of our Company;
- k) File necessary forms with Registrar of Companies and various documents with such authorities as may be required and to do such other things in relation thereto; and
- l) Carry out all the functions as mandated by the Board from time to time, as may be applicable.

## OUR PROMOTERS AND PROMOTER GROUP

### PROMOTERS

VS Trust (Mr. Venu Srinivasan, Trustee), Mr. Venu Srinivasan and T.V. Sundram Iyengar & Sons Private Limited are the Promoters of our Company. As on date of this Information Memorandum, our Promoters hold 1,27,05,969 Equity Shares, representing 62.80% of the issued, subscribed and paid-up equity share capital of our Company. For details, please see “*Capital Structure – Equity Share capital build-up of our Promoters*” on page 31.

**Details of our Promoters are as follows:**

#### Individual Promoter

##### *Mr. Venu Srinivasan*



Mr. Venu Srinivasan, aged 71 years, is the Chairman Emeritus and Managing Director of our Company.

*Permanent Account Number: AACPS3217K*

For further details in respect of his date of birth, personal address, educational qualifications, professional experience, positions/ posts held in the past, other directorships, special achievements, business and financial activities, please see “*Our Management*” on page 81.

Our Company confirms that the permanent account number, Aadhaar card number, driving license number, bank account number(s) and the passport number of Mr. Venu Srinivasan, shall be submitted to the Stock Exchanges at the time of filing this Information Memorandum.

#### Corporate Promoter

##### *T.V. Sundram Iyengar & Sons Private Limited*

###### *Corporate Information:*

T.V. Sundram Iyengar & Sons Private Limited, was incorporated as a private limited company on October 11, 1929 under the Companies Act, 1913. Its Corporate Identity Number is U34101TN1929PTC002973. As on the date of this Information Memorandum, T.V. Sundram Iyengar & Sons Private Limited is primarily engaged in the business of distribution of commercial vehicles, multi utility & sports utility vehicles, three wheelers, passenger cars representing various leading automobile vehicle. There have been no changes to the primary business activities undertaken by T.V. Sundram Iyengar & Sons Private Limited.

The registered office of T.V. Sundram Iyengar & Sons Private Limited is located at TVS Building, West Veli Street, Madurai 625 001, Tamil Nadu, India.

###### *Shareholding Pattern*

As on the date of this Information Memorandum, the authorised share capital of T.V. Sundram Iyengar & Sons Private Limited is ₹37,10,00,000 divided into 37,10,000 equity shares of face value of ₹100 each. The issued and paid-up share capital of T.V. Sundram Iyengar & Sons Private Limited, as on the date of this Information Memorandum is ₹15,75,43,600 divided into 15,75,436 equity shares of face value of ₹100 each.

The following table sets forth details of the shareholding pattern of T.V. Sundram Iyengar & Sons Private Limited, as on the date of this Information Memorandum:

S. No.	Name of shareholder	Number of equity shares held	Percentage (%) of equity shareholding
1.	Gopal Srinivasan	1,22,397	7.77
2.	Krishna Mahesh	97,239	6.17
3.	K Ramesh	1,06,745	6.78
5.	Others*	12,48,965	79.28

\* There are presently 64 shareholders of T.V. Sundram Iyengar & Sons Private Limited. Particulars of shareholders with more than 5% shareholding have been disclosed separately while the remaining have been classified under the head of "Others".

#### *Board of directors:*

The board of directors of T.V. Sundram Iyengar & Sons Private Limited as on the date of this Information Memorandum are as under:

1. Mr. Suresh Krishna;
2. Mr. Ramachandhran Haresh;
3. Mr. Ramachandhran Dinesh
4. Mr. Venu Srinivasan;
5. Mr. Gopal Srinivasan;
6. Mr. Tirumala Kumara Balaji;
7. Mr. Santhanam Ram;
8. Mr. Srinath Ratnam Rajam;
9. Mr. Srivats Ram;
10. Ms. Santhanam Viji;
11. Mr. Krishna Ramesh; and
12. Mr. Krishna Mahesh.

#### *Details of Change in Control:*

There has been no change in control of T.V. Sundram Iyengar & Sons Private Limited, in the last three years preceding the date of this Information Memorandum.

T.V. Sundram Iyengar & Sons Private Limited does not hold any Equity Shares or Preference Shares in our Company.

Our Company confirms that the permanent account number, bank account number(s), company registration number and the address of the registrar of companies where T.V. Sundram Iyengar & Sons Private Limited is registered, shall be submitted to the Stock Exchanges at the time of filing this Information Memorandum.

#### **Trust**

##### *VS Trust*

##### *Trust Information and History:*

VS Trust was formed as a private discretionary trust pursuant to a deed of trust dated September 1, 2021 in accordance with the provisions of the Indian Trusts Act, 1882. The office of VS Trust is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

#### **Change in control of our Company**

Except as disclosed below, there has been no change in control of our Company in the five years immediately preceding the date of this Information Memorandum:

Until Effective Date 4, our Company was wholly owned subsidiary of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*). Pursuant to the Composite Scheme of Arrangement, the shareholders of TVS Holdings Limited (*formerly known as Sundaram – Clayton Limited*) became the shareholders of our Company.

#### **Other ventures of our Promoters**



Other than as disclosed in this section our Promoters are not involved in any other business ventures.

### **Interests of Promoters**

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their shareholding in our Company; (iii) the dividends payable thereon; (iv) any other distributions in respect of their shareholding in our Company; and (v) shareholding of their relatives and entities in which they have interest. For further details, please see *“Capital Structure – Details of Equity Shares and Preference Shares held by our Promoters and members of our Promoter Group”* beginning on page 104.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters. For further details of interest of our Promoters in our Company, please see *“Financial Information – Notes to Restated Consolidated Financial Information – Note 37 – Related Party Transactions”*.

Our individual Promoter, Mr. Venu Srinivasan, is also interested in our Company as a Director of our Company and may be deemed to be interested in the remuneration payable to him and the reimbursement of expenses incurred by him in his capacity as a Director. For further details, please see *“Our Management”* on page 81.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoters or otherwise for services rendered by such Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

### **Interest in property, land, construction of building and supply of machinery**

Our Promoters do not have any interest in any property acquired by our Company in the three years preceding the date of this Information Memorandum or proposed to be acquired by our Company or in any transaction by our Company with respect to the acquisition of land, construction of building or supply of machinery.

### **Payment or benefits to Promoters or Promoter Group**

Except as disclosed in *“Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 37 – Related Party Transactions”*, no payment or benefit has been made or granted by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Information Memorandum nor is there any intention to pay or give any benefit to our Promoters or Promoter Group as on the date of this Information Memorandum.

The shareholders of our Company at the EGM held on August 10, 2023 have approved the appointment of Dr. Lakshmi Venu as a Managing Director and she will be eligible for receipt of remuneration, perquisites and allowances as approved by the shareholders of our Company at the aforementioned EGM held on August 10, 2023. For further details, please see *“Our Management – Remuneration of Lakshmi Venu as Managing Director”* on page 81.

Our Company may in the future enter into transactions with our Promoters or the Promoter Group in the ordinary course of business, in the nature of related party transactions, in compliance with laws.

### **Companies or firms with which our Promoters have disassociated in the last three years**

Our Promoters have not dissociated themselves from any companies or firms in the three years preceding the date of this Information Memorandum.

### **Material guarantees**

As on the date of this Information Memorandum, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

### **PROMOTER GROUP**

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

***Natural persons who are part of the Promoter Group***

The natural persons who are part of the Promoter Group, other than our Individual Promoter, are as follows:

***Individuals forming part of the Promoter Group***

1. Mrs. Mallika Srinivasan
2. Dr. Lakshmi Venu
3. Mr. Sudarshan Venu

***Entities forming part of the Promoter Group***

As of the date of this Information Memorandum, the companies, bodies corporate, firm, and HUF forming part of our Promoter Group are as follows:

1. Sundaram Finance Holdings Limited
2. Srinivasan Trust (VS Trustee Private Limited, Trustee)
3. VS Trustee Private Limited
4. VS PTC Trust (Mr. Venu Srinivasan, Trustee)
5. VEE ESS Trading Private Limited
6. VEE ESS Trust (Venu Srinivasan Trustee Private Limited, Trustee)
7. Srinivasan Venu Trust (Mr. Venu Srinivasan, Trustee)
8. Venu Srinivasan Trustee Private Limited
9. S. Venu Trustee Private Limited
10. Srinivasan Trading Private Limited

## GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than the promoters and the subsidiaries) with which there were related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards; and also (ii) other companies as considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Corporate Promoter and our Subsidiaries) with which our Company had related party transactions as covered under the relevant accounting standard (i.e., Ind AS 24), as per the Restated Consolidated Financial Information, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

In addition, for the purposes of (ii) above, our Board of Directors have not determined any materiality threshold for identification of any other company as our Group Company.

Based on the above, our Group Companies are set forth below:

1. TVS Motor Company Limited;
2. TVS Credit Services Limited;
3. Emerald Heaven Realty Limited; and
4. Sundaram Auto Components Limited.

### Details of our Group Companies

Details of our top four Group Companies are provided below:

#### 1. TVS Motor Company Limited

##### *Registered office*

The registered office of TVS Motor Company Limited is situated at “Chaitanya”, No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

##### *Financial information*

Certain financial information derived from the audited financial statements of TVS Motor Company Limited for the last three Financial Years, as required by the SEBI ICDR Regulations, are available on its website at [www.tvsmotor.com](http://www.tvsmotor.com).

#### 2. TVS Credit Services Limited

##### *Registered office*

The registered office of TVS Credit Services Limited is situated at “Chaitanya”, No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

##### *Financial information*

Certain financial information derived from the audited financial statements of TVS Credit Services Limited for the last three Financial Years, as required by the SEBI ICDR Regulations, are available on its website at [www.tvscredit.com](http://www.tvscredit.com).

#### 3. Emerald Heaven Realty Limited

##### *Registered office*

The registered office of Emerald Heaven Realty Limited is situated at Ispahani Centre, 4<sup>th</sup> Floor, Door No. 123,124, Nungambakkam High Road Chennai – 600 034, Tamil Nadu, India.

##### *Financial information*

Certain financial information derived from the audited financial statements of Emerald Heaven Realty Limited for the last three Financial Years, as required by the SEBI ICDR Regulations, are available on the website of our Company at [www.sundaram-clayton.com](http://www.sundaram-clayton.com).

#### **4. Sundaram Auto Components Limited**

##### *Registered office*

The registered office of Sundaram Auto Components Limited is situated at “Chaitanya”, No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

##### *Financial information*

Certain financial information derived from the audited financial statements of Sundaram Auto Components Limited for the last three Financial Years, as required by the SEBI ICDR Regulations, are available on the website of our Company at [www.sundaram-clayton.com](http://www.sundaram-clayton.com).

#### **Nature and extent of interest of Group Companies**

##### **a. In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company.

##### **b. In the properties acquired by our Company in the past three years before filing this Information Memorandum or proposed to be acquired by our Company**

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Information Memorandum or proposed to be acquired by our Company.

##### **c. In transactions for acquisition of land, construction of building and supply of machinery, etc.**

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc. entered into by our Company.

#### **Common pursuits**

As on the date of this Information Memorandum, there are no common pursuits amongst our Group Companies, Subsidiaries, Associate Companies and our Company.

#### **Related business transactions within our Group Companies and significance on the financial performance of our Company**

Except the transactions disclosed in “*Related Party Transactions*” and “*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 37 – Related Party Transactions*”, there are no other related business transactions with the Group Companies.

#### **Litigation**

Except as disclosed at “*Outstanding Litigation and Material Developments – Litigations involving our Group Companies*” on page 242, there are no pending litigations involving our Group Companies which will have a material impact on our Company, as on the date of this Information Memorandum.

#### **Business interest of Group Companies**

Except in the ordinary course of business and as stated in “*Draft Information Summary – Related Party Transactions*”, none of our Group Companies have any business interest in our Company.

## **DIVIDEND POLICY**

As on the date of this Information Memorandum, our Company has a formal dividend policy approved by our Board of Directors at their meeting held on August 11, 2023. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act, 2013 and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations and the overall financial condition of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, revenues, profits, cash flow, cash requirements, capital requirements, business prospects and any other financing arrangements. The Board may also declare interim dividend.

As per the Articles of Association, our Company may pay dividend by cheque or warrant or ECS or RTGS or any other mode as may be permissible under the Companies Act, 2013 or may send through post to the registered address of the member or person entitled, or in the case of joint holders, to the registered address of the joint holder first named in the register.

Our Company has not declared any dividend during the last three Fiscals on the equity shares of our Company.

Further, our Company has not declared any dividend from April 1, 2023 till the date of this Information Memorandum.

**SECTION VI – FINANCIAL INFORMATION**  
**RESTATED CONSOLIDATED FINANCIAL INFORMATION**

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

**Independent Auditors' Examination Report on the restated consolidated statements of assets and liabilities as at June 30, 2023, March 31, 2023, 2022 and 2021, restated consolidated statement of profits and losses (including other comprehensive income), restated consolidated statement of cash flows and consolidated changes in equity for quarter ended June 30, 2023 and each of the years ended March 31, 2023, 2022 and 2021, consolidated statement of significant accounting policies and other explanatory information of Sundaram-Clayton Limited (formerly Sundaram-Clayton DCD Limited) (collectively, the "Restated Consolidated Financial Information").**

To  
The Board of Directors  
Sundaram-Clayton Limited  
(Formerly Sundaram-Clayton DCD Limited)  
'Chaitanya', No.12,  
Khader Nawaz Khan Road,  
Nungambakkam, Chennai – 600006, Tamil Nadu, India

Dear Sirs:

1. We have examined the attached Restated Consolidated Financial Information of **Sundaram-Clayton Limited (formerly Sundaram - Clayton DCD Limited)** (the “**Company**”) and its subsidiaries and associate (the Company together with its subsidiaries and associate hereinafter referred to as “the **Group**”) annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Information Memorandum and the Information Memorandum (collectively, the “**IM**”) in connection with proposed listing of its equity shares (“**Proposed Listing**”). The Company with its advisors having evaluated the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”) have requested the statutory auditors vide its letter dated August 11, 2023 to examine these Restated Consolidated Financial Information. The Restated Consolidated Financial Information, which have been approved by the directors of the Company at their meeting held on September 27, 2023, have been prepared in accordance with the requirements of:
  - a) The ICDR Regulations; and
  - b) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India (“**ICAI**”), (the “**Guidance Note**”).

## **2. Management's Responsibility for the Restated Consolidated Financial Information**

The preparation of the Restated Consolidated Financial Information, which are to be included in the IM is the responsibility of the management of the Company (“**Management**”). The Restated Consolidated Financial Information have been prepared by the Management on the basis of preparation, as stated in note 1 to the Restated Consolidated Financial Information. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Group complies with ICDR Regulations and the Guidance Note.

### **Auditors' Responsibilities**

3. We have examined such Restated Consolidated Financial Information taking into consideration:
- a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated August 11, 2023, requesting us to carry out the assignment, in connection with the proposed listing of the Company;
  - b) The Guidance Note also requires that we comply with ethical requirements of the code of ethics issued by ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Financial Information; and
  - d) The requirements of the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the proposed listing.

### **Restated Consolidated Financial Information**

4. These Restated Consolidated Financial Information have been compiled by the management of the company from:
- a) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and limited reviewed results for the quarter ended June 30, 2023, which were prepared in accordance with the Indian Accounting Standard (referred to as “**Ind AS**”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the board of directors at their meetings held on May 5, 2023, May 6, 2022, April 28, 2021 and July 25, 2023, respectively.
  - b) Unaudited financial statements and other financial information in relation to the Company’s subsidiaries (“**Refer Annexure**”), as listed below, included in the Restated Consolidated Financial Information of the Group as at and for quarter ended June 30, 2023 and the year ended March 31, 2023, March 31, 2022 and March 31, 2021:

<b>Name of the Entity</b>	<b>Relationship</b>	<b>Period Unaudited</b>
Sundaram Holding USA Inc., Delaware, USA ( <b>Consolidated</b> )	Subsidiary	Quarter ended June 30, 2023 and financial years ended March 31, 2023, March 31, 2022 & March 31, 2021
Sundaram-Clayton (USA) Limited, Illinois, USA	Subsidiary	Quarter ended June 30, 2023 and financial years ended March 31, 2023, March 31, 2022 & March 31, 2021
Sundaram-Clayton GmbH	Subsidiary	Quarter ended June 30, 2023 and financial years ended March 31, 2023, March 31, 2022 & March 31, 2021

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries. The Management has converted financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments are made by The Management.



- c) Financial statements and other financial information in respect of the associate, as listed below had been audited by other auditors and included in the Restated Consolidated Financial Information of the Group as at and for the quarter ended June 30, 2023 and the years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Name of the Entity	Relationship	Name of Audit Firm	Period audited by Other Auditors
Sundram Non-Conventional Energy Systems Limited	Associate	M/s Sundaram & Srinivasan	Quarter ended June 30, 2023 and financial years ended March 31, 2023, March 31, 2022 & March 31, 2021

### Auditors Report

5. For the purpose of our examination, we have relied on:

- a) Auditors' reports issued by us, dated May 5, 2023, May 6, 2022 and April 28, 2021 on the consolidated financial statements of the Group as at and for each years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively and limited review report issued on July 25, 2023 on consolidated financial results for the Quarter ended June 30, 2023 as referred in Paragraph 4 (a) above.
- b) As indicated in Paragraph 4 (b) above, unaudited financial statements of subsidiaries as at and for the quarter ended June 30, 2023 and the years ended March 31, 2023, March 31, 2022 and March 31, 2021 whose financial statements reflect total assets, total revenues and net cash inflows / (outflows) as tabulated below and included in the Restated Consolidated Financial Information of the Group:

(Rs. In Crores)

As at and for the year ended	Total assets of subsidiaries	Total revenue of subsidiaries	Net cash inflow/ (outflow) of subsidiaries
June 30, 2023	1,017.46	26.14	20.32
March 31, 2023	991.50	112.86	(17.49)
March 31, 2022	888.65	52.84	21.68
March 31, 2021	782.83	3.48	(1.77)
<b>Total</b>	<b>3,680.44</b>	<b>195.32</b>	<b>22.74</b>

Our opinion on the Restated Consolidated Financial Information is not modified in respect of the above matters with respect to our reliance on the financial information certified by the Management of the Company.

- c) As indicated in Paragraph 4 (c) above, audited by other auditors' financial statements of associate as at and for quarter ended June 30, 2023 and the years ended March 31, 2023, March 31, 2022 and March 31, 2021, whose financial statements reflect share of profit/loss in associate as tabulated below and included in the Restated Consolidated Financial Information of the Group:

(Rs. In Crores)

As at and for Quarter ended and the year ended	Share of profit / (loss) in associate
June 30, 2023	0.16
March 31, 2023	(0.03)
March 31, 2022	0.12
March 31, 2021	0.02
<b>Total</b>	<b>0.27</b>

These financial statements has been audited (limited reviewed for the Quarter ended June 30, 2023) by other auditor as listed in Para 4(c) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in the financial statements referred to in Para 4 (c) above are based solely on the report of other auditors.

6. We have not audited any financial statements of the Group as of any date or for any period subsequent to March 31, 2023 and we have not carried out any limited review subsequent to June 30, 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as of any date or for any period subsequent to June 30, 2023.
7. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the audited financial statements mentioned in paragraph 4(a) above.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. Our report is intended solely for use of the board of directors of the Company for inclusion in the IM to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Tamil Nadu at Chennai in connection with the proposed listing. Our report should not be used, referred to, or distributed for any other purpose. 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 this report is shown or into whose hands it may come.

*for* **Raghavan, Chaudhuri & Narayanan**  
**Chartered Accountants**  
FRN: 007761S

**V. Sathyanarayanan**  
**Partner**  
Membership No. 027716

Place : Bangalore  
Date : September 27, 2023  
UDIN : 23027716BGYLVH7019

## **Annexure to Audit Report:**

### **List of Subsidiaries**

1. Sundaram-Clayton (USA) Limited, USA
  2. Sundaram Holding USA Inc, Delaware, USA
  3. Sundaram-Clayton GmbH, Germany
- 
2. **Subsidiaries of Sundaram Holding USA Inc, Delaware, USA**
    - i. Green Hills Land Holding LLC, USA
    - ii. Component Equipment Leasing LLC, USA
    - iii. Sundaram-Clayton USA LLC, USA
    - iv. Premier Land Holding LLC, USA

### **List of Associates**

1. Sundram Non-Conventional Energy Systems Limited, Chennai

**Sundaram-Clayton Limited**  
**(Formerly known as Sundaram- Clayton DCD**  
**Limited)**

The Restated Consolidated Financial Information for the quarter ended 30th June 2023 and the the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021

**SUNDARAM-CLAYTON LIMITED**  
**RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs In Crores)

Particulars	Note No.	As at 30.06.2023	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	2	1,454.71	1,470.50	1,389.59	735.25
Capital work in progress	2	123.28	77.81	64.40	736.84
Other intangible assets	3	0.67	0.73	0.58	0.28
Financial assets		-	-	-	-
i. Investments	4 (a)	9.62	8.72	9.49	9.47
ii. Investments accounted using equity method	4 (b)	1.11	0.95	0.98	0.86
ii. Other financial assets	5	9.07	8.92	11.90	14.75
Deferred Tax Assets (Net)	6	-	-	-	-
Other non-current assets	7	35.28	44.21	33.33	20.48
<b>Total non-current assets</b>		<b>1,633.74</b>	<b>1,611.84</b>	<b>1,510.27</b>	<b>1,517.93</b>
<b>Current assets</b>					
Inventories	8	385.37	410.98	394.17	305.70
Financial assets					
i. Trade receivables	9	272.27	252.29	266.83	222.23
ii. Cash and cash equivalents	10	127.16	103.75	123.61	21.10
iii. Bank balances other than (ii) above	11	-	-	-	-
iv. Investments		-	-	-	-
iv. Other financial assets	5	14.32	10.17	7.51	11.10
Current tax assets (Net)		-	-	-	-
Other current assets	12	50.45	22.75	22.95	24.67
<b>Total current assets</b>		<b>849.57</b>	<b>799.94</b>	<b>815.07</b>	<b>584.80</b>
<b>Total Assets</b>		<b>2,483.31</b>	<b>2,411.78</b>	<b>2,325.34</b>	<b>2,102.73</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	13	10.12	10.12	10.12	10.12
Other equity	14	727.81	763.98	547.26	419.85
Non Controlling Interest		-	-	291.31	325.72
<b>Total equity</b>		<b>737.93</b>	<b>774.10</b>	<b>848.69</b>	<b>755.69</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities					
i. Borrowings	15	763.43	799.18	595.07	567.31
ii. Lease liability		5.64	7.68	20.14	28.37
iii. Other financial liabilities	19	-	10.68	10.56	18.64
Provisions	16	14.06	11.08	16.05	9.78
Deferred tax liabilities (Net)	6	22.37	27.74	33.08	31.08
<b>Total non-current liabilities</b>		<b>805.50</b>	<b>856.36</b>	<b>674.90</b>	<b>655.18</b>
<b>Current liabilities</b>					
Financial liabilities					
i. Borrowings	17	420.32	282.66	359.28	330.13
ii. Lease liability		15.23	17.30	15.42	14.83
iii. Trade payables	18	387.28	399.50	366.34	272.26
iv. Other financial liabilities	19	73.06	52.90	31.12	38.80
Other current liabilities	20	36.29	19.38	21.21	26.41
Current tax liability		-	-	-	0.00
Provisions	16	7.70	9.58	8.38	9.43
<b>Total current liabilities</b>		<b>939.88</b>	<b>781.32</b>	<b>801.75</b>	<b>691.86</b>
<b>Total liabilities</b>		<b>1,745.38</b>	<b>1,637.68</b>	<b>1,476.65</b>	<b>1,347.04</b>
<b>Total equity and liabilities</b>		<b>2,483.31</b>	<b>2,411.78</b>	<b>2,325.34</b>	<b>2,102.73</b>
<b>Significant Accounting Policies</b>	1				

The accompanying notes are an integral part of these financial statements

R GOPALAN  
Chairman

VIVEK S JOSHI  
Director & CEO

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
Firm Regn. No.007761S

AJAY KUMAR  
Chief Financial Officer

P D DEV KISHAN  
Company Secretary

V SATHYANARAYANAN  
Partner

Date : 27<sup>th</sup> September 2023  
Place: Chennai

Membership No.:027716  
Date : 27<sup>th</sup> September 2023  
Place: Bengaluru

**SUNDARAM-CLAYTON LIMITED**  
**RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

(Rs In Crores)

	Particulars	Note No.	Period ended 30.06.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
I	<b>Income</b>					
	Revenue from operations	21	521.05	2,052.78	1,692.42	1,127.95
	Other income	22	0.43	10.20	3.61	11.65
	<b>Total income</b>		<b>521.48</b>	<b>2,062.98</b>	<b>1,696.03</b>	<b>1,139.60</b>
II	<b>Expenses</b>					
	Cost of materials consumed	23	285.80	1,130.63	956.04	575.81
	Changes in inventories of finished goods, work-in-process	24	(11.91)	(2.01)	(85.33)	(22.13)
	Employee benefit expenses	25	79.48	277.87	195.84	164.69
	Finance costs	26	21.27	60.05	46.39	47.47
	Depreciation and amortisation expense	27	37.11	143.88	130.72	79.67
	Other expenses	28	139.51	521.89	436.35	270.04
	<b>Total expenses</b>		<b>551.26</b>	<b>2,132.31</b>	<b>1,680.01</b>	<b>1,115.55</b>
III	<b>Profit before exceptional items, share of net profit of investment and tax (I-II)</b>		<b>(29.78)</b>	<b>(69.33)</b>	<b>16.02</b>	<b>24.05</b>
	Share of net profit from associates using equity method	4(b)	0.16	(0.03)	0.12	0.02
	<b>Profit before exceptional items and tax (I- II)</b>		<b>(29.62)</b>	<b>(69.36)</b>	<b>16.14</b>	<b>24.07</b>
IV	Exceptional items - income / (expense)	28A	(3.33)	(17.10)	(13.48)	(13.00)
V	<b>Profit before tax (III +IV)</b>		<b>(32.95)</b>	<b>(86.46)</b>	<b>2.66</b>	<b>11.07</b>
VI	Income tax expense					
	Current tax	29	7.25	27.48	16.54	4.21
	Deferred tax charge/(credit)	30	(4.68)	(6.10)	2.71	54.39
VII	<b>Profit for the year (V-VI)</b>		<b>(35.52)</b>	<b>(107.84)</b>	<b>(16.59)</b>	<b>(47.54)</b>
	(Profit) / Loss attributable to Non-controlling Interest			-	(42)	(2.74)
	<b>Profit for the year attributable to owners</b>		<b>(35.52)</b>	<b>(107.84)</b>	<b>25.22</b>	<b>(44.79)</b>
VIII	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit and loss					
	Remeasurement of post employment benefit obligations		(2.40)	1.53	(8.71)	(2.87)
	Change in fair value of equity instruments			-	-	-
	Income tax relating to these items		0.96	(0.38)	2.19	0.72
	Items that will be reclassified to profit and loss					
	Transactions relating to Derivative instruments		0.45	1.53	4.78	7.53
	Change in fair value of FVOCI debt instruments					
	Income tax relating to these items		(0.28)	(0.39)	(1.48)	(1.90)
	FCTR - Subsidiaries		(5.20)	47.86	19.12	(15.76)
	<b>Other comprehensive income for the year, net of tax</b>		<b>(6.47)</b>	<b>50.15</b>	<b>15.90</b>	<b>(12.28)</b>
	Other Comprehensive income attributable to non-controlling interest (profit) / loss		-	-	9.63	(10.67)
	<b>Other comprehensive income attributable to owners</b>		<b>(6.47)</b>	<b>50.15</b>	<b>6.27</b>	<b>(1.61)</b>
IX	<b>Total comprehensive income attributable to NCI</b>		<b>-</b>	<b>-</b>	<b>(32.18)</b>	<b>(13.42)</b>
	<b>Total comprehensive income attributable to owners</b>		<b>(41.99)</b>	<b>(57.69)</b>	<b>31.49</b>	<b>(46.40)</b>
X	Earnings per equity share					
	Basic & Diluted earnings per share	31	(17.56)	(53.31)	(8.21)	(23.50)

The accompanying notes are an integral part of these financial statements

R GOPALAN  
Chairman

VIVEK S JOSHI  
Director & CEO

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
Firm Regn. No.007761S

AJAY KUMAR  
Chief Financial Officer

P D DEV KISHAN  
Company Secretary

V SATHYANARAYANAN  
Partner

Date : 27<sup>th</sup> September 2023  
Place : Chennai

Membership No.:027716  
Date: 27<sup>th</sup> September 2023  
Place: Bengaluru

**SUNDARAM-CLAYTON LIMITED**  
**STATEMENT OF CHANGES IN EQUITY** (Rs in Crores)

<b>A. Equity Share Capital- New Equity Shares of the Resulting Company (Refer Note No 13)</b>	
Particulars	Amount
<b>As at 01-04-2020</b>	<b>10.12</b>
Changes in Equity Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2020</b>	<b>10.12</b>
Changes in equity share capital during the year	-
<b>As at 01-04-2021</b>	<b>10.12</b>
Changes in Equity Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2021</b>	<b>10.12</b>
Changes in equity share capital during the year	-
<b>As at 31-03-2022</b>	<b>10.12</b>
Changes in Equity Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2022</b>	<b>10.12</b>
Changes in equity share capital during the year	-
<b>As at 31-03-2023</b>	<b>10.12</b>
Changes in equity share capital during the year	-
<b>As at 30-06-2023</b>	<b>10.12</b>

Particulars	Reserves and surplus				Other reserves				
	General reserve	Retained earnings	Capital Reserve	Total	Fair Value through OCI	FCTR	Hedging reserve	Non Controlling Interest	Total
<b>Balance as at March 31, 2020</b>	<b>224.90</b>	<b>230.27</b>	<b>-</b>	<b>455.17</b>	<b>2.97</b>	<b>12.66</b>	<b>(9.33)</b>	<b>341.36</b>	<b>347.66</b>
Add : Profit for the period	-	(44.79)	-	(44.79)	-	-	-	(2.74)	(2.74)
Add : Other comprehensive income	-	-	-	-	(2.15)	(5.09)	5.63	(10.67)	(12.28)
Add/ (Less): Transaction with Non controlling Interest	-	(1.20)	-	(1.20)	-	3.43	-	(2.23)	1.20
Opening Balance of Changes in Associate Investment	-	0.72	-	0.72	-	-	-	-	-
Adjustment due to composite scheme of arrangement [Refer Note : 36 (x & xi)]	-	-	1.83	1.83	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(45.27)</b>	<b>1.83</b>	<b>(43.44)</b>	<b>(2.15)</b>	<b>(1.66)</b>	<b>5.63</b>	<b>(15.64)</b>	<b>(13.82)</b>
<b>Balance as at March 31, 2021</b>	<b>224.90</b>	<b>185.00</b>	<b>1.83</b>	<b>411.73</b>	<b>0.82</b>	<b>11.00</b>	<b>(3.70)</b>	<b>325.72</b>	<b>333.84</b>
Add : Profit for the period	-	25.22	-	25.22	-	-	-	(41.81)	(41.81)
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 [Refer Note : 36 (x & xi)]	-	-	93.69	93.69	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>21.54</b>	<b>93.69</b>	<b>115.23</b>	<b>(6.52)</b>	<b>15.40</b>	<b>3.30</b>	<b>(34.41)</b>	<b>(22.23)</b>
Add/ (Less) : Change in fair value of equity instruments	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2022</b>	<b>224.90</b>	<b>206.54</b>	<b>95.52</b>	<b>526.96</b>	<b>(5.70)</b>	<b>26.40</b>	<b>(0.40)</b>	<b>291.31</b>	<b>311.61</b>
Add : Profit for the period	-	(107.84)	-	(107.84)	-	-	-	-	-
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 [Refer Note : 36 (x & xi)]	-	-	300.11	300.11	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(160.33)</b>	<b>300.11</b>	<b>139.78</b>	<b>1.15</b>	<b>74.65</b>	<b>1.14</b>	<b>(291.31)</b>	<b>(214.37)</b>
Add / (Less) : Reclassified to retained earnings	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>224.90</b>	<b>46.21</b>	<b>395.63</b>	<b>666.74</b>	<b>(4.55)</b>	<b>101.05</b>	<b>0.74</b>	<b>-</b>	<b>97.24</b>
Add : Profit for the period	-	(35.52)	-	(35.52)	-	-	-	-	-
Add : Other comprehensive income	-	(0.18)	-	(0.18)	(1.44)	(5.20)	0.17	-	(6.47)
Adjustment due to composite scheme of arrangement [Refer Note : 36 (x & xi)]	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>(35.70)</b>	<b>-</b>	<b>(35.70)</b>	<b>(1.44)</b>	<b>(5.20)</b>	<b>0.17</b>	<b>-</b>	<b>(6.47)</b>
Add / (Less) : Reclassified to retained earnings	-	-	-	-	-	-	-	-	-
Add/ (Less) : Change in fair value of equity instruments	-	-	-	-	-	-	-	-	-
Investment Re-statement on demerger	-	-	6.00	6.00	-	-	-	-	-
Adjustment due to composite scheme of arrangement	-	-	-	-	-	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>224.90</b>	<b>10.51</b>	<b>401.63</b>	<b>637.04</b>	<b>(5.99)</b>	<b>95.85</b>	<b>0.91</b>	<b>-</b>	<b>90.77</b>

**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.  
**Hedging Reserve -** Refer Note No. 34 (D)

R GOPALAN  
Chairman

VIVEK S JOSHI  
Director & CEO

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
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AJAY KUMAR  
Chief Financial Officer

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Company Secretary

V SATHYANARAYANAN  
Partner  
Membership No.:027716  
Date: 27<sup>th</sup> September 2023  
Place: Bengaluru

Date : 27<sup>th</sup> September 2023  
Place : Chennai

<b>SUNDARAM-CLAYTON LIMITED</b>				
<b>RESTATED CONSOLIDATED CASH FLOW STATEMENT</b>				
<b>(Rs In Crores)</b>				
<b>Particulars</b>	<b>Period ended 30.06.2023</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax	(32.95)	(86.46)	2.66	11.07
Add: Depreciation and amortisation for the year	37.11	143.88	130.72	79.67
Loss on sale/scrapping of property, plant and equipment	0.03	-	3.89	0.43
Profit on sale of property, plant and equipment	(0.01)	(0.26)	(0.11)	(0.26)
Unrealised exchange (gain) / loss	0.57	(8.89)	(2.42)	(9.59)
Dividend income	-	-	-	-
Interest income	(0.41)	(0.97)	(1.08)	(1.80)
Fair value of financial assets & financial liabilities	-	-	0.40	-
Interest expense	21.27	60.05	46.39	47.47
Profit on sale of investments	(0.01)	(0.08)	-	-
	<u>58.55</u>	<u>193.73</u>	<u>177.79</u>	<u>115.92</u>
Operating profit before working capital changes	25.60	107.27	180.45	126.99
Adjustments for:				
Inventories	25.61	(16.81)	(88.47)	(28.09)
Trade Receivables	(19.98)	14.54	(44.60)	(74.35)
Other financial assets	(4.30)	0.32	6.44	10.38
Other non-current assets	8.93	(10.88)	(12.85)	(17.18)
Other current assets	(27.70)	0.20	1.72	8.59
Trade Payables	(12.22)	33.16	94.08	89.70
Provisions	1.10	(3.77)	5.22	(19.21)
Other financial liabilities (excluding current maturities of debt)	(9.04)	31.43	(15.28)	14.40
Other current liabilities	16.91	(1.83)	(5.20)	3.84
	<u>(20.69)</u>	<u>46.36</u>	<u>(58.94)</u>	<u>(11.92)</u>
Cash generated from operations	4.91	153.63	121.51	115.07
Direct taxes paid	(7.25)	(27.48)	(16.54)	(4.21)
Net cash from operating activities <b>(A)</b>	<u>(2.34)</u>	<u>126.15</u>	<u>104.97</u>	<u>110.86</u>



<b>SUNDARAM-CLAYTON LIMITED</b>					<b>RESTATED CONSOLIDATED CASH FLOW STATEMENT</b>					<b>(Rs In Crores)</b>				
<b>Particulars</b>		<b>Period ended 30.06.2023</b>		<b>Year ended 31.03.2023</b>		<b>Year ended 31.03.2022</b>		<b>Year ended 31.03.2021</b>						
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>														
Additions to property, plant and equipment (including Capital work in progress)			(11.23)		(174.09)		(772.54)		(14.45)					
Capital Work in Progress			(45.47)		(13.41)		672.44		(32.65)					
Sale of property, plant and equipment			-		0.56		0.49		0.37					
Purchase of investments			(0.90)		-		(0.02)		(0.13)					
Sale of investments			-		0.77		-		-					
Closure of Term deposits			-		-		-		-					
Net gain on sale of Investments			(0.01)		0.08		-		-					
Net Movement in Associate Investment			(0.16)		(0.85)		(0.47)		(1.09)					
Interest received			0.41		0.97		1.08		1.80					
Dividend received			-		-		-		-					
Net Cash from/(used in) investing activities <b>(B)</b>			<u>(57.36)</u>		<u>(185.97)</u>		<u>(99.02)</u>		<u>(46.15)</u>					
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>														
Net Borrowings:														
Term loans availed/(repaid)			1.59		121.48		14.59		61.87					
Short term borrowings availed/ (repaid)			100.32		6.01		42.31		(106.90)					
Interest paid			(21.27)		(60.05)		(46.39)		(47.47)					
Dividend and dividend tax paid			-		0.00		0.00		0.00					
Net Impact on account of de-merger as per Ind AS 103 [Refer Note : 36 (x & xi)]			6.00		(16.90)		93.69		1.83					
Repayment of lease liabilities			(3.53)		(10.58)		(7.64)		(16.29)					
Net cash inflow/ (outflow) from financing activities <b>(C)</b>			<u>83.11</u>		<u>39.96</u>		<u>96.56</u>		<u>(106.96)</u>					
<b>D NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS <b>(A+B+C)</b></b>														
			23.41		(19.86)		102.51		(42.25)					
Cash and cash equivalents at the beginning of the year														
Cash and Bank balances		103.75		123.61		21.10		63.35						
Cash credit balance		-	103.75	-	123.61	-	21.10	-	63.35					
Cash and cash equivalents at the end of the year														
Cash and Bank balances		127.16		103.75		123.61		21.10						
Cash credit balance		-	127.16	-	103.75	-	123.61	-	21.10					

**SUNDARAM-CLAYTON LIMITED**  
**RESTATED CONSOLIDATED CASH FLOW STATEMENT**

(Rs In Crores)

**Change in liability arising from financing activities**

Particulars	Notes	01-04-2023	Cash flow	Non-cash changes		30-06-2023
				Fair value change	Foreign exchange movement	
Long term borrowings (including current maturities)	15	884.43	1.59	-	-	886.02
Short term borrowings	17	197.41	100.32	-	-	297.73
Particulars	Notes	01-04-2022	Cash flow	Non-cash changes		31-03-2023
				Fair value change	Foreign exchange movement	
Long term borrowings (including current maturities)	15	762.95	121.48	-	-	884.43
Short term borrowings	17	191.40	6.01	-	-	197.41
Particulars	Notes	01-04-2021	Cash flow	Non-cash changes		31-03-2022
				Fair value change	Foreign exchange movement	
Long term borrowings (including current maturities)	15	748.35	14.59	-	-	762.95
Short term borrowings	17	149.09	42.31	-	-	191.40
Particulars	Notes	01-04-2020	Cash flow	Non-cash changes		31-03-2021
				Fair value change	Foreign exchange movement	
Long term borrowings (including current maturities)	15	686.48	61.87	-	-	748.35
Short term borrowings	17	256.00	(106.90)	-	(0.01)	149.09

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.
- Cash and cash equivalents include cash and bank balances excluding Term Deposits.

R GOPALAN  
Chairman

VIVEK S JOSHI  
Director & CEO

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
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AJAY KUMAR  
Chief Financial Officer

P D DEV KISHAN  
Company Secretary

V SATHYANARAYANAN  
Partner  
Membership No.:027716

Date :  
Place :

Date:  
Place:

## SUNDARAM-CLAYTON LIMITED

### 1. NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

#### I. Brief description of the Company

Sundaram -Clayton Limited ('the Company') is a public limited company incorporated in India having 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 a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

#### II. Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on February 09, 2022, had approved the Composite scheme of arrangement amongst Sundaram Clayton Limited ('Transferee Company' or '**Demerged Company**'), TVS Holdings Private Limited ('Transferor Company 1'), VS Investments Private Limited ('Transferor Company 2') and Sundaram-Clayton DCD Limited ('**Resulting Company**') and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged the following:

**Part II:** Issue of Preference Shares of SCL (as defined hereinafter) by way of bonus to the shareholders of SCL (as defined hereinafter) by utilising the general reserves/retained earnings;

**Part III:** The amalgamation of the Transferor Company 1 (as defined hereinafter) with the Transferee Company (as defined hereinafter) and cancellation of the share capital of the Transferee Company held by the Transferor Company 1 and the consideration thereof;

**Part IV:** The amalgamation of the Transferor Company 2 (as defined hereinafter) with the Transferee Company and cancellation of the share capital of the Transferee Company held by the Transferor Company 2 and the consideration thereof; and

**Part V:** The demerger, transfer and vesting of the Demerged Undertaking (as defined hereinafter) from the Demerged Company (as defined hereinafter) into the Resulting Company (as defined hereinafter) on a going concern basis, reduction and cancellation of the paid-up share capital of the Resulting Company held by the Demerged Company and the consequent issue of shares of the Resulting Company by the Resulting Company to the shareholders of the Demerged Company.

The Hon'ble National Company Law Tribunal, Chennai bench has approved the Scheme vide its order dated March 6, 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on March 6, 2023 and filed with the Registrar of Companies on March 14, 2023.

Accordingly, the Board of Directors of the respective companies at its meeting held on August 11, 2023 have decided to give effect to the 'PART V' of the scheme in the following manner based on the order of Hon'ble National Company Law Tribunal Chennai Bench:

## **SUNDARAM-CLAYTON LIMITED**

### **1. NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

“PART V deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company into the Resulting Company, reduction and cancellation of the existing equity share capital of the Resulting Company held by the Demerged Company and the consideration thereof with effective from such Appointed date August 11, 2023”.

As per the Scheme, the Company will transfer assets and liabilities of TVS Holdings private Limited and VS investments to Sundaram-Clayton Limited at the respective book values from the appointed date. Also, Sundaram-Clayton Limited will transfer assets and liabilities of Manufacturing Business to the Sundaram-Clayton DCD Limited at their respective book values from the appointed date.

### **III. Basis of preparation of Restated Consolidated Financial Information**

- i) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Limited Reviewed Results for the quarter ended 30th June 2023, which were prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 5, 2023, May 6, 2022, April 28, 2021 and July 25, 2023, respectively.
- ii) Subsidiaries which are located outside India whose financial statements 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 financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by The Holding Company's Management
- iii) Audited financial statements in respect of associates had been included in the Restated Consolidated Financial Information of the Group as at the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and unaudited for the quarter ended June 30, 2023 have been included for consolidation

The Restated Consolidated Financial Information as approved by the Board of the Directors at their meeting held on September 25, 2023 has been prepared for inclusion in the Draft Information Memorandum (‘IM’) prepared by the company in connection with the proposed listing of its equity shares (“Proposed Listing”) prepared in accordance with the checklist provided by Bombay Stock Exchange (“BSE”) and National Stock Exchange (“NSE”) for in-principle approval in relation to any scheme of arrangement states that the IM should contain the information about the Company and its group companies in line with the disclosure requirement applicable for public issue. Further as per SEBI Master Circular dated Jun 20, 2023 on Scheme of Arrangement by Listed entities also states about the requirements to be given in an advertisement before commencement of trading that it should contain Restated Audited Financials for the previous three financial years and stub period prior to the date of listing. Hence for the purpose of disclosure in the IM, IM should contain restated consolidated financial information, in line with disclosure requirements for public issues. The disclosure requirements applicable for public issues form part of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”) and

## SUNDARAM-CLAYTON LIMITED

### 1. NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

accordingly, all disclosure requirements mentioned therein in relation to public issues would be applicable to the information memorandum. Further, Clause (11) of the SEBI ICDR Regulations provides for 'Financial Statements' required to be disclosed in the offer document.

These Restated Consolidated Financial Information have been prepared on a historical cost basis, except for certain financial instruments such as derivative financial instruments and other financial instruments held for trading, which have been measured at fair value and assets classified as held for sale, which have been measured at lower of carrying value and fair value less cost to sell.

The Restated Consolidated Financial Information are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated.

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.

Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary/associate of the Group uses accounting policies other than those adopted in the restated consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group subsidiary's/associate's financial statements in preparing the restated consolidated financial information to ensure conformity with the Group's accounting policies.

However, no subsidiaries and associates have followed different accounting policies than those followed by the Group for the preparation of these restated consolidated financial information. The restated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group.

The Restated Consolidated Financial Information of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or

## **SUNDARAM-CLAYTON LIMITED**

### **1. NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS**

credited as "Foreign Exchange Translation Reserve" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

#### **IV. Presentation of Restated Consolidated Financial Information**

The Group presents its Statement of Assets and Liabilities in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) is presented. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business.

#### **V. Consolidation procedure:**

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Information at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a. Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- b. Derecognises the carrying amount of any non-controlling interests
- c. Derecognises the cumulative translation differences recorded in equity
- d. Recognises the fair value of the consideration received
- e. Recognises the fair value of any investment retained
- f. Recognises any surplus or deficit in profit or loss

## SUNDARAM-CLAYTON LIMITED

### 1. NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS

g. Recognises that distribution of shares of subsidiary to Group in Group's capacity as owners

h. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

### VI. Principles of Consolidation

Business Combination:

Ind AS 103 - Business combinations ("Ind AS 103") provides for the accounting principles to be applied in case of business combinations (like acquisition method accounting using fair values of the assets transferred, liabilities incurred to the previous owners of the acquire, equity interests issued and contingent consideration). Considering the complexities involved in application of Ind AS 103 and for providing relaxation to the first time adopters of Ind AS, Ind AS 101 provides for following options to be made at transition date:

- i. Not to apply Ind AS 103 retrospectively to past business combinations that occurred before the transition date or
- ii. Re-state all the business combinations that occurred before the transition date or that occurred from a particular date (pre-transition date) till the date of transition and accordingly apply Ind AS 103.

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.

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.

## **SUNDARAM-CLAYTON LIMITED**

### **1A. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies mentioned herein are relating to the restated consolidated financial statements of Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited) and its subsidiaries and associates.

#### **a) 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

#### **b) Significant estimates and judgments**

The areas involving significant estimates or judgments are:

- i) Estimation of fair value of unlisted securities
- ii) Estimation of defined benefit obligation
- iii) Estimation of useful life of Property, Plant and Equipment
- iv) Estimation of product warranty

#### **c) 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.

#### **d) Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.



## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

i) Sale of automotive vehicles, parts and automotive components:

Revenue from sale of products is recognised when significant risk and rewards of ownership pass to the customers, as per the terms of the contract and it is probable that the economic benefits associated with the transaction will flow to the Group.

ii) Sale of Services:

Revenue from Services is recognised in the accounting period in which the services are rendered and when invoices are raised.

**e) 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.
- v) Government grants that are directly attributable to the assets acquired.

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 fixed assets.

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).

**f) Depreciation**

- i) Depreciation on tangible fixed assets 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. Depreciation is adjusted for the proportionate usage with reference to the asset's expected capacity or physical output during the reporting period

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

- ii) The estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Group is furnished below:

Description	Years
Factory building and other buildings	5 to 64
Plant and Equipment	4 to 21
Electrical Equipment	15
Furniture and Fixtures	4 to 10
Computers	3 to 4
Mobile phones	1 to 2
Vehicles	5 to 6

- iii) Tools and dies used for two wheelers are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 5 years. Tools and dies used for three wheeler operations are depreciated over a period of 9 years.
- iv) 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.
- v) On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.
- vi) Depreciation in respect of tangible assets costing individually less than Rs.5,000/- is provided at 100%.

#### g) Intangible assets

##### Other 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, 8 years in case of acquired brands and trade marks and 6 to 10 years in the case of Design, Development and Technical knowhow.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

#### h) 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. Where it is not possible to estimate the recoverable amount of an individual asset, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The group estimates the recoverable amount of the cash-generating unit (CGU's) to which the asset belongs/or the individual and property, plant and equipment and intangible assets.

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.

#### i) 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.

- 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, fixed assets, 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 recognised as income or expense in the year in which they arise.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

#### (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:

- 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 recognised in other comprehensive income.

#### j) **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).

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

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).

#### **k) Inventories**

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

- i. Cost of raw materials, components, stores, spares, work-in-process and finished goods are determined on a moving average basis.
- ii. 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.
- iii. 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.
- iv. 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.

Land held for development/sale by the real estate subsidiary is valued at the lower of cost and net realizable value. Cost includes cost of acquisition and all related costs.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

#### I) Employee benefits

##### i) 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 upto the end of the reporting period at the amounts expected to be paid at the time of settlement.

##### 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 Other Comprehensive Income.

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.

##### iv) 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.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

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.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

v) 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.

vi) 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.

**m) 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Also for the purposes of restated financials statements the current tax has been proportionately apportioned and taken into account of resulting entity

Deferred income tax is provided in full, using the liability 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 also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

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.

#### n) 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 available.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets 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.

#### o) 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.



## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### p) **Segment reporting**

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

The group has identified the following business segments as reportable segments, (on the basis of products and production process) viz. Automotive components.

#### q) **Leases**

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company 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 Company 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 Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company 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 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.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

To determine the incremental borrowing rate, the Company:

- 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 Company which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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 Company 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.

#### **r) 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.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

#### s) Trade receivables

Trade receivables are recognized at cost less provision for doubtful debts.

#### t) Contract Liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

#### u) 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.

- Debt Instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments.

- Amortized Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the Statement of Profit and Loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

- Fair Value through profit or loss:

Assets that do not meet the criteria for amortized cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss (FVTPL). A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- 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.

- Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 34(A) and Note 35 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.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

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

## SUNDARAM-CLAYTON LIMITED

### 1A. SIGNIFICANT ACCOUNTING POLICIES

#### iii) Derecognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- 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.

#### (iv) Income recognition

Interest income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

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.

#### v) **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.

## **SUNDARAM-CLAYTON LIMITED**

### **1A. SIGNIFICANT ACCOUNTING POLICIES**

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 at least 12 months after the reporting period.

#### **w) 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 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 Group's considered view, twelve months is its operating cycle for all entities within the Group other than real estate.

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into

## **SUNDARAM-CLAYTON LIMITED**

### **1A. SIGNIFICANT ACCOUNTING POLICIES**

cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

#### **x) 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.

#### **y) Earnings Per Share (EPS)**

As per the scheme, new equity shares were allotted at 1:1 ratio to shareholders of resulting company as per scheme. the EPS is calculated based on that number of shares

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of new equity shares of resulting company as per the scheme of arrangement.

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.

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**  
**2- Property, Plant & Equipment** (Rs In Crores)

Description	Property, Plant & Equipment								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	7	8
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	-			21.36	0.01	0.25	-		21.62
Sub-total	48.89	10.78	136.87	1,561.59	4.76	13.25	1.74	51.67	1,829.55
Sales / deletion	(0.09)	(0.03)	-	(0.85)	(0.01)	(2.88)	-		(3.86)
<b>Total</b>	<b>48.80</b>	<b>10.75</b>	<b>136.87</b>	<b>1,560.74</b>	<b>4.75</b>	<b>10.37</b>	<b>1.74</b>	<b>51.67</b>	<b>1,825.69</b>
Depreciation									
Upto 31-03-2023	-	1.50	16.23	292.65	1.84	4.48	0.05	20.68	337.43
For the period	-	-	1.35	33.50	0.12	0.69	0.03	1.29	36.98
Amortisation	-	0.13						-	0.13
Sub-total	-	1.63	17.58	326.15	1.96	5.17	0.08	21.97	374.54
Withdrawn on assets sold / deleted	-	-	-	(0.81)	-	(2.75)	-		(3.56)
<b>Total</b>	<b>-</b>	<b>1.63</b>	<b>17.58</b>	<b>325.34</b>	<b>1.96</b>	<b>2.42</b>	<b>0.08</b>	<b>21.97</b>	<b>370.98</b>
Net Carrying amount									
<b>As at 30-06-2023</b>	<b>48.80</b>	<b>9.12</b>	<b>119.29</b>	<b>1,235.40</b>	<b>2.79</b>	<b>7.95</b>	<b>1.66</b>	<b>29.70</b>	<b>1,454.71</b>
<b>CAPITAL WORK-IN-PROGRESS (AT COST)</b>								<b>Jun 30, 2023</b>	<b>2022-23</b>
(a) Building								83.13	26.85
(b) Plant & equipment								40.15	47.87
(c) Others								0.00	3.09
<b>Total</b>								<b>123.28</b>	<b>77.81</b>

**Ageing of Capital work-in- progress as on 30th June 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	122.41	0.56		0.32	123.28



**SUNDARAM-CLAYTON LIMITED**
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**
**2- Property, Plant & Equipment**
**(Rs In Crores)**

Description	Property, Plant & Equipment								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	7	8
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	-	-	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)
<b>Total</b>	<b>48.89</b>	<b>10.78</b>	<b>136.87</b>	<b>1,540.23</b>	<b>4.75</b>	<b>13.00</b>	<b>1.74</b>	<b>51.67</b>	<b>1,807.93</b>
Depreciation									
Upto 31-03-2022	-	1.00	10.81	168.23	1.38	2.47	0.04	15.51	199.44
For the year			5.42	129.75	0.51	2.20	0.09	5.17	143.14
Amortisation	-	0.50						-	0.50
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)
<b>Total</b>	<b>-</b>	<b>1.50</b>	<b>16.23</b>	<b>292.65</b>	<b>1.84</b>	<b>4.48</b>	<b>0.05</b>	<b>20.68</b>	<b>337.43</b>
Net Carrying amount									
<b>As at 31-03-2023</b>	<b>48.89</b>	<b>9.28</b>	<b>120.64</b>	<b>1,247.58</b>	<b>2.91</b>	<b>8.52</b>	<b>1.69</b>	<b>30.99</b>	<b>1,470.50</b>
<b>CAPITAL WORK-IN-PROGRESS (AT COST)</b>								<b>2022-23</b>	<b>2021-22</b>
(a) Building								26.85	0.14
(b) Plant & equipment								47.87	62.68
(c) Others								3.09	1.58
<b>Total</b>								<b>77.81</b>	<b>64.40</b>

**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**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**  
**2- Property, Plant & Equipment** **(Rs In Crores)**

Description	Property, Plant & Equipment								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	7	8
As at 01-04-2021	48.89	10.78	136.20	555.24	4.68	5.04	1.63	51.67	814.13
Additions			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)
<b>Total</b>	<b>48.89</b>	<b>10.78</b>	<b>136.65</b>	<b>1,326.20</b>	<b>4.78</b>	<b>8.50</b>	<b>1.56</b>	<b>51.67</b>	<b>1,589.03</b>
Depreciation									
Upto 31-03-2021	-	0.50	5.40	60.93	0.71	1.00	-	10.34	78.88
For the year Amortisation	-	0.50	5.41	117.15	0.67	1.61	0.11	5.17	130.12
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)
<b>Total</b>	<b>-</b>	<b>1.00</b>	<b>10.81</b>	<b>168.23</b>	<b>1.38</b>	<b>2.47</b>	<b>0.04</b>	<b>15.51</b>	<b>199.44</b>
Net Carrying amount									
<b>As at 31-03-2022</b>	<b>48.89</b>	<b>9.78</b>	<b>125.84</b>	<b>1,157.97</b>	<b>3.40</b>	<b>6.03</b>	<b>1.52</b>	<b>36.16</b>	<b>1,389.59</b>

<b>CAPITAL WORK-IN-PROGRESS (AT COST)</b>	<b>2021-22</b>	<b>2020-21</b>
(a) Building	0.14	0.10
(b) Plant & equipment	62.68	734.66
(c) Others	1.58	2.08
<b>Total</b>	<b>64.40</b>	<b>736.84</b>

**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**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**  
**2- Property, Plant & Equipment** **(Rs In Crores)**

Description	Property, Plant & Equipment								
	Freehold land	Lease hold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	ROU	Total
	1	2	3	4	5	6	7	7	8
As at 01-04-2020	14.87	10.91	136.05	502.67	4.67	5.06	1.54	51.67	727.45
Additions	34.05	-	0.15	58.31	0.01	0.33	0.19		93.04
Sub-total	48.92	10.91	136.20	560.98	4.68	5.39	1.73	51.67	820.49
Sales / deletion	(0.03)	(0.13)	-	(5.74)	-	(0.35)	(0.10)	-	(6.35)
<b>Total</b>	<b>48.89</b>	<b>10.78</b>	<b>136.20</b>	<b>555.24</b>	<b>4.68</b>	<b>5.04</b>	<b>1.63</b>	<b>51.67</b>	<b>814.14</b>
Depreciation									
Upto 31-03-2020	-	-	-	-	-	-	-	5.17	5.17
For the year			5.40	66.16	0.71	1.33	0.10	5.17	78.87
Amortisation	-	0.50						-	0.50
Sub-total	-	0.50	5.40	66.16	0.71	1.33	0.10	10.34	84.54
Withdrawn on assets sold / deleted	-	-		(5.23)	-	(0.33)	(0.10)	-	(5.66)
<b>Total</b>	<b>-</b>	<b>0.50</b>	<b>5.40</b>	<b>60.93</b>	<b>0.71</b>	<b>1.00</b>	<b>-</b>	<b>10.34</b>	<b>78.88</b>
Net Carrying amount									
<b>As at 31-03-2021</b>	<b>48.89</b>	<b>10.28</b>	<b>130.80</b>	<b>494.31</b>	<b>3.97</b>	<b>4.04</b>	<b>1.63</b>	<b>41.33</b>	<b>735.25</b>

<b>CAPITAL WORK-IN-PROGRESS (AT COST)</b>	<b>2020-21</b>	<b>2019-20</b>
(a) Building	0.10	0.14
(b) Plant & equipment	734.66	703.34
(c) Others	2.08	0.71
<b>Total</b>	<b>736.84</b>	<b>704.19</b>

**Ageing of Capital work-in- progress as on 31st March 2021:**

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	736.18	0.21	0.18	0.27	736.84

SUNDARAM-CLAYTON LIMITED	
NOTES TO CONSOLIDATED RESTATED BALANCE SHEET	
3 - Intangible Assets:	
(Rs in Crores)	
Description	Software
Gross block	
As at 01-04-2023	13.35
Additions	0.07
Sub-total	13.42
Sales / deletion	-
<b>Total</b>	<b>13.42</b>
Depreciation	
Upto 31-03-2023	12.62
For the period	0.13
Amortisation	
Sub-total	12.75
Withdrawn on assets sold / deleted	-
<b>Total</b>	<b>12.75</b>
Net Carrying amount	
<b>As at 30-06-2023</b>	<b>0.67</b>
Description	Software
Gross block	
As at 01-04-2022	13.31
Additions	0.89
Sub-total	14.20
Sales / deletion	(0.85)
<b>Total</b>	<b>13.35</b>
Depreciation	
Upto 31-03-2022	12.73
For the year	0.74
Amortisation	
Sub-total	13.47
Withdrawn on assets sold / deleted	(0.85)
<b>Total</b>	<b>12.62</b>
Net Carrying amount	
<b>As at 31-03-2023</b>	<b>0.73</b>

SUNDARAM-CLAYTON LIMITED	
NOTES TO CONSOLIDATED RESTATED BALANCE SHEET	
3 - Intangible Assets:	
(Rs in Crores)	
Description	Software
Gross block	
As at 01-04-2021	12.41
Additions	0.90
Sub-total	13.31
Sales / deletion	-
<b>Total</b>	<b>13.31</b>
Depreciation	
Upto 31-03-2021	12.13
For the year	
Amortisation	0.60
Sub-total	12.73
Withdrawn on assets sold / deleted	
<b>Total</b>	<b>12.73</b>
Net Carrying amount	
<b>As at 31-03-2022</b>	<b>0.58</b>
Description	Software
Gross block	
As at 01-04-2020	12.29
Additions	0.29
Sub-total	12.58
Sales / deletion	(0.17)
<b>Total</b>	<b>12.41</b>
Depreciation	
Upto 31-03-2021	11.50
For the year	
Amortisation	0.80
Sub-total	12.30
Withdrawn on assets sold / deleted	(0.17)
<b>Total</b>	<b>12.13</b>
Net Carrying amount	
<b>As at 31-03-2021</b>	<b>0.28</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO RESTATED BALANCE SHEET**

**4(a) Non Current Investments**

Sl. No.	Name of the body corporate	Subsidiary / associate	Valuation Method	No. of shares / units				Face Value	Currency	Partly paid / fully paid	(Rs In Crores)			
				As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021				As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
(a)	<b>Investment in Equity Instruments fair valued through OCI</b>													
	<b>Unquoted :</b>													
(i)	Green Infra BTV Limited, New Delhi (formerly known as TVS Energy Limited) @		Cost - PYGC	45,00,000	45,00,000	45,00,000	45,00,000	10.00	INR	Fully paid	4.50	4.50	4.50	4.50
(ii)	Sai Regency Power Corporation Private Limited, Chennai @		Cost - PYGC	3,75,000	3,75,000	3,75,000	3,75,000	10.00	INR	Fully paid	0.38	0.38	0.38	0.38
	<b>Total value of Equity Instruments (a)</b>										<b>4.88</b>	<b>4.88</b>	<b>4.88</b>	<b>4.88</b>
(b)	<b>Other non-current Investments</b>													
(i)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai		FV - AC						INR	Fully paid	0.82	0.66	0.75	0.76
(ii)	Life Insurance Corporation Pension Policy, Chennai		FV - AC						INR	Fully paid	3.29	2.55	3.23	3.33
(iii)	Tulsyan NEC Limited, Chennai @		Cost - PYGC	1,63,125	1,63,125	1,63,125	1,63,125	10.00	INR	Fully paid	0.50	0.50	0.50	0.50
(iv)	Nagai Power Private Limited,			1,33,010	1,33,010	1,33,010	-	10.00	INR	Fully paid	0.13	0.13	0.13	-
	<b>Total value of Other non-current Investments (b)</b>										<b>4.74</b>	<b>3.84</b>	<b>4.61</b>	<b>4.59</b>
	<b>Total (a) + (b)</b>										<b>9.62</b>	<b>8.72</b>	<b>9.49</b>	<b>9.47</b>
	Aggregate amount of quoted investments and market value thereof										-	-	-	-
	Aggregate amount of unquoted investments										9.62	8.72	9.49	9.47
	Aggregate amount of impairment in value of investments										-	-	-	-
	<b>Total</b>										<b>9.62</b>	<b>8.72</b>	<b>9.49</b>	<b>9.47</b>

\* All investments are fully paid up except investment in Adyar Property Holding Company Limited, Chennai.

# 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.

@ Cost treated as Fair value

**Note 4(b) Investments accounted using equity method**

Particulars	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
Sundram Non Conventional Energy Systems Limited, Chennai (1,17,650 Equity Shares)	0.95	0.98	0.86	0.84
Add: Share of Profit	0.16	0.85	0.47	0.37
Less: Dividend	-	(0.88)	(0.35)	(0.35)
<b>Total</b>	<b>1.11</b>	<b>0.95</b>	<b>0.98</b>	<b>0.86</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**

(Rs In Crores)

5	Other Financial Assets	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021		
	<b>Non-current</b>						
	Rental deposits	9.07	8.92	8.36	7.85		
	Derivatives (Forwards,POS,Call spread,IRS)	-	-	3.54	6.90		
	<b>Total</b>	<b>9.07</b>	<b>8.92</b>	<b>11.90</b>	<b>14.75</b>		
	<b>Current</b>						
	<u>Unsecured, Considered Good :</u>						
	Employee Advances	6.57	2.20	2.90	1.62		
	Interest accrued on deposits/investments	-	-	-	-		
	Claims receivable	1.08	1.21	1.18	0.87		
	Derivatives (Forwards,POS,Call spread,IRS)	4.80	5.98	1.55	5.19		
	Duty Drawback receivable	1.87	0.78	1.88	3.42		
	<b>Total</b>	<b>14.32</b>	<b>10.17</b>	<b>7.51</b>	<b>11.10</b>		
6	<b>Deferred tax liabilities / (assets)</b>						
	The balance comprises temporary differences attributable to:						
		As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021		
	Depreciation	25.78	33.93	40.24	47.79		
	Employee benefits	(2.35)	(2.80)	(5.36)	(3.57)		
	Financial assets & Financial liabilities	(4.88)	(5.04)	(3.45)	1.39		
	MAT Credit	-	-	-	-		
	Others (Including Carried forward loss)	3.82	1.65	1.65	(14.53)		
	<b>Total deferred tax liabilities / (assets)</b>	<b>22.37</b>	<b>27.74</b>	<b>33.08</b>	<b>31.08</b>		
	<b>Movement in deferred tax liabilities / (assets)</b>						
		Depreciation	Employee benefits	Financial assets & Financial liabilities	MAT Credit	Others (Including Carried forward loss)	Total
	<b>At April 1, 2020</b>	-	-	-	(31.68)	-	(31.68)
	Charged/(credited):						
	- to statement of profit and loss	47.79	(3.19)	2.87	31.68	(14.53)	64.63
	- to tax relating to earlier years	-	-	-	-	-	-
	- to other comprehensive income	-	(0.38)	(1.48)	-	-	(1.86)
	<b>At April 1, 2021</b>	<b>47.79</b>	<b>(3.57)</b>	<b>1.39</b>	<b>-</b>	<b>(14.53)</b>	<b>31.09</b>
	Charged/(credited):						
	- to statement of profit and loss	(7.55)	1.46	(7.38)	-	16.18	2.71
	- to tax relating to earlier years	-	-	-	-	-	-
	- to other comprehensive income	-	(3.25)	2.54	-	-	(0.71)
	<b>At March 31, 2022</b>	<b>40.24</b>	<b>(5.36)</b>	<b>(3.45)</b>	<b>-</b>	<b>1.65</b>	<b>33.09</b>
	Charged/(credited):						
	- to statement of profit and loss	(6.31)	1.13	(0.92)	-	-	(6.10)
	- to other comprehensive income	-	1.43	(0.67)	-	-	0.76
	<b>At March 31, 2023</b>	<b>33.93</b>	<b>(2.80)</b>	<b>(5.04)</b>	<b>-</b>	<b>1.65</b>	<b>27.75</b>
	Charged/(credited):						
	- to statement of profit and loss	(8.15)	0.86	0.16	-	2.45	(4.68)
	- to other comprehensive income	-	(0.41)	-	-	(0.28)	(0.69)
	<b>At June 30, 2023</b>	<b>25.78</b>	<b>(2.35)</b>	<b>(4.88)</b>	<b>-</b>	<b>3.82</b>	<b>22.38</b>

7	Other non-current assets	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
	Capital advances	-	16.12	14.75	3.82
	<b>Advances - other than capital advances:</b>				
	Statutory and other deposits	20.58	12.76	9.25	8.55
	Prepaid expenses	14.70	15.33	9.33	8.11
	<b>Total other non-current assets</b>	<b>35.28</b>	<b>44.21</b>	<b>33.33</b>	<b>20.48</b>
8	Inventories (at weighted average cost or net realisable value whichever is less)	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
	Raw materials and components	41.61	56.51	35.71	29.29
	Goods-in-transit - Raw materials and components	-	-	0.20	2.77
	Work-in-process	41.70	41.33	36.96	22.44
	Finished goods	192.17	197.97	200.33	129.52
	Stores and spares	109.89	115.17	120.97	121.68
	<b>Total Inventories</b>	<b>385.37</b>	<b>410.98</b>	<b>394.17</b>	<b>305.70</b>
9	Trade receivables (Refer Note 36(vii))	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
	Secured, considered good	-	-	-	-
	Unsecured, considered good	272.27	252.29	266.83	222.23
	Doubtful	7.56	8.41	3.60	5.77
	Unsecured, considered good	279.83	260.70	270.43	228.00
	Less: Loss Allowance	7.56	8.41	3.60	5.77
	<b>Total Trade Receivables</b>	<b>272.27</b>	<b>252.29</b>	<b>266.83</b>	<b>222.23</b>

## Ageing for trade receivables as on 30.06.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	275.28	4.09	0.46	-	-	279.83
(ii) Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(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	-	-	-	-	-	-
<b>Total</b>	<b>275.28</b>	<b>4.09</b>	<b>0.46</b>	<b>-</b>	<b>-</b>	<b>279.83</b>

## Ageing for trade receivables as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	233.48	26.87	0.35	-	-	260.70
(ii) Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(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	-	-	-	-	-	-
<b>Total</b>	<b>233.48</b>	<b>26.87</b>	<b>0.35</b>	<b>-</b>	<b>-</b>	<b>260.70</b>



Ageing for trade receivables as on 31.03.2022						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	266.83	3.60	-	-	-	270.43
(ii) Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(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	-	-	-	-	-	-
<b>Total</b>	<b>266.83</b>	<b>3.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270.43</b>
Ageing for trade receivables as on 31.03.2021						
Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables - Considered good	222.23	5.77	-	-	-	228.00
(ii) Undisputed trade receivables - Which have significant increase in credit risk	-	-	-	-	-	-
(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	-	-	-	-	-	-
<b>Total</b>	<b>222.23</b>	<b>5.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228.00</b>
<b>10 Cash and cash equivalents</b>	<b>As at 30-06-2023</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>		
Balances with banks	44.06	20.65	40.47	21.08		
Transferred as a part of Composite scheme of arrangement	83.00	83.00	83.00	-		
Cheques / drafts on hand	-	-	-	-		
Balance with term deposits	0.10	0.10	0.10	-		
Cash on hand	-	-	0.04	0.02		
<b>Total Cash and cash equivalents</b>	<b>127.16</b>	<b>103.75</b>	<b>123.61</b>	<b>21.10</b>		
<b>11 Other Bank Balances</b>	<b>As at 30-06-2023</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>		
Earmarked balances with banks (including unpaid dividend)	-	-	-	-		
Bank Deposits (with more than 12 months maturity)	-	-	-	-		
Balance with banks (with more than 3 months and less than 12 months maturity)	-	-	-	-		
<b>Total Other Bank balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>12 Other current assets</b>	<b>As at 31-03-2021</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>		
Indirect taxes receivable	0.68	0.78	0.29	0.43		
Balance with indirect tax authorities	-	-	-	-		
Prepaid expenses	7.84	7.49	5.71	8.16		
Vendor advances	40.26	11.37	7.11	6.31		
Export incentives receivable	0.74	0.44	9.84	9.74		
Employee benefit assets	0.93	2.67	-	0.03		
<b>Total other current assets</b>	<b>50.45</b>	<b>22.75</b>	<b>22.95</b>	<b>24.67</b>		

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**  
**13 - Share Capital**

(a) **Details of authorised, issued and subscribed share capital**

(i) **Equity Share Capital**

Particulars	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores	Number	Rupees in
<u>Authorised Capital</u>								
Equity Shares of Rs.5/- each	2,50,00,000	12.50	2,50,00,000	12.50	2,50,00,000	12.50	2,50,00,000	12.50
<u>Issued, Subscribed &amp; Paid up Capital</u>								
New Equity Shares of the resulting Company of Rs.5/- each [Refer Note : 36 (x & xi)]	2,02,32,104	10.12	2,02,32,104	10.12	2,02,32,104	10.12	2,02,32,104	10.12
	<b>2,02,32,104</b>	<b>10.12</b>	<b>2,02,32,104</b>	<b>10.12</b>	<b>2,02,32,104</b>	<b>10.12</b>	<b>2,02,32,104</b>	<b>10.12</b>

(ii) **Preference Share Capital**

Particulars	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores
<u>Authorised Preference share Capital</u>								
Preference Shares of Rs.10/- each	25,00,000	2.50	25,00,000	2.50	25,00,000	2.50	25,00,000	2.50
<u>Issued, Subscribed &amp; Paid up Capital</u>								
0.1% Cumulative Non-convertible Redeemable Preference Shares Rs.10/- each (NCRPS) [Refer Note 36(x)]	8,73,032	0.87	8,73,032	0.87	8,73,032	0.87	8,73,032	0.87
	<b>8,73,032</b>	<b>0.87</b>	<b>8,73,032</b>	<b>0.87</b>	<b>8,73,032</b>	<b>0.87</b>	<b>8,73,032</b>	<b>0.87</b>

Note: The company has issued Bonus 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: 17)

(b) **Reconciliation of shares outstanding at the beginning and at the end of the year**

(i) **Equity Share Capital**

Particulars	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores
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	2,02,32,104	10.12
Shares Issued during the year	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	<b>2,02,32,085</b>	<b>10.12</b>	<b>2,02,32,085</b>	<b>10.12</b>	<b>2,02,32,085</b>	<b>10.12</b>	<b>2,02,32,085</b>	<b>10.12</b>

(ii) **Preference Share Capital**

Particulars	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores	Number	Rs in Crores
Shares outstanding at the beginning of the year	8,73,032	0.87	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	<b>8,73,032</b>	<b>0.87</b>	<b>8,73,032</b>	<b>0.87</b>	<b>8,73,032</b>	<b>0.87</b>	<b>8,73,032</b>	<b>0.87</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**  
**13 - Share Capital**

(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.

ii) There are no restrictions attached to equity shares.

**i) 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.

(d) **Details of shares held by holding/ultimate holding/subsidiaries/associates of holding company at the end for Equity Capital and Preference Share Capital**

(i) **Equity Share Capital**

Name of Shareholder	Relationship	Class of Share	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% 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	1,03,23,122	51.02

(ii) **Preference Share Capital**

Name of Shareholder	Relationship	Class of Share	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
			No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Venu Srinivasan, representing VS Trust	Controlling Entity	Equity	NIL							

(e) **Details of shareholders holding more than five percent at the end (other than 13 (d)) above**

Name of Shareholder	Class of Share	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sundaram Finance Holdings Limited- Chennai	Equity	15,14,378	7.49	15,14,378	7.49	15,14,378	9.74	15,14,378	9.74

Name of Shareholder	Class of Share	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sundaram Finance Holdings Limited- Chennai	Preference	1,75,667	20.12	1,75,667	20.12	1,75,667	20.12	1,75,667	20.12
Aditya Birla Sun Life Mutual Fund		88,060	10.09	88,060	10.09	88,060	10.09	88,060	10.09
Govindlal M Parikh		53,114	6.08	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	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021		% OF CHANGE OVER THE YEARS
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% 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	1,03,23,122	51.02	NIL
Mr Venu Srinivasan		23,82,847	11.78	23,82,847	11.78	23,82,847	11.78	23,82,847	11.78	

Name of the Promoters	Class of Share	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021		% OF CHANGE OVER THE YEARS
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr Venu Srinivasan, representing VS Trust	Equity	NIL								
Mr Venu Srinivasan		NIL								

**Sundaram-Clayton Limited**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET** (Rs In Crores)

**14 - Other equity**

Particulars	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
General reserve	224.90	224.90	224.90	224.90
Retained earnings	10.51	46.21	206.54	185.00
Capital Reserve	401.63	395.63	95.52	1.83
Other reserves	90.77	97.24	20.30	8.12
<b>Total reserves and surplus</b>	<b>727.81</b>	<b>763.98</b>	<b>547.26</b>	<b>419.85</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>291.31</b>	<b>325.72</b>

10.12      10.12      10.12      10.12

**15 - Long Term Borrowings**

**336.30**      **378.47**      **461.86**      **428.14**

Description	Security	No. of instal- ments due	Frequency	Maturity	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021	
<u>Secured:</u>									
Rupee Term loan I		NA	Quarterly	Dec-22		-	24.92	58.25	
Foreign Currency Non-resident Borrowings (FCNR(B)) I	First and exclusive charge on specific plant and equipments of the Company.	NA	Half yearly	Sep-22		-	15.16	43.87	
External Commercial Borrowing I (ECB I)			Bullet payment	Oct-18, Nov-18 & Mar-19		-	-	-	
External Commercial Borrowing I (ECB I)		-	Half yearly	Mar-22		-	-	24.24	
External Commercial Borrowing II (ECB II)		4	Quarterly	Feb-24		30.40	40.72	75.43	109.10
State owned corporation		1	Bullet payment	Apr-31		8.28	8.12	7.51	6.95
Rupee Term loan II	First and pari passu charge on plant and equipments of the Company.	17	Quarterly	Dec-28	95.00	75.00	-	-	
Foreign Currency Non-resident Borrowings (FCNR(B)) III	Hypothecation of all current assets	19	Quarterly	Dec-27	109.39	114.50	134.25	141.05	
<u>Unsecured :</u>									
Non Convertible Debentures		2	Yearly	Aug-25	99.88	99.85	99.70	99.55	
Rupee Term loan III		18	Quarterly	Sep-27	171.42	175.98	185.14		
Rupee Term loan IV					371.65	370.26	220.84	265.34	
Buyer's Credit		-	Bullet payment	Jul-19		-	-	-	
<b>Total Borrowings :</b>					<b>886.02</b>	<b>884.43</b>	<b>762.95</b>	<b>748.35</b>	
Less : Current Maturities of long-term borrowings (Refer Note No. 17)					122.59	85.25	167.88	181.04	
<b>Total Long-term Borrowings</b>					<b>763.43</b>	<b>799.18</b>	<b>595.07</b>	<b>567.31</b>	

**Amount payable in each instalment other than bullet repayments:**

Description	Currency	Amount	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	1 year LIBOR 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%

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED BALANCE SHEET**

(Rs In Crores)

16 Provisions	Particulars	As at 30-06-2023		As at 31-03-2023		As at 31-03-2022		As at 31-03-2021	
		Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
<b>Employee benefits (Refer Note 32)</b>									
	(a) Pension	0.90	7.25	2.91	4.66	4.12	4.32	3.48	3.85
	(b) Leave salary	0.62	6.81	0.59	6.42	1.05	7.02	0.91	5.93
	(c) Gratuity			-	-	-	4.71	-	-
		<b>1.52</b>	<b>14.06</b>	<b>3.50</b>	<b>11.08</b>	<b>5.17</b>	<b>16.05</b>	<b>4.39</b>	<b>9.78</b>
<b>Others</b>									
	(a) Warranty	3.90	-	3.84	-	3.21	-	3.59	-
	(b) Disputed tax provided for	2.28	-	2.24	-	-	-	1.45	-
					-				
	<b>Total</b>	<b>7.70</b>	<b>14.06</b>	<b>9.58</b>	<b>11.08</b>	<b>8.38</b>	<b>16.05</b>	<b>9.43</b>	<b>9.78</b>

Particulars	Warranty	Disputed tax provided for	Warranty	Disputed tax provided for	Warranty	Disputed tax provided for	Warranty	Disputed tax provided for
Opening balance as on 01.04.2020	3.84	2.24	3.21	-	3.59	1.45	4.06	11.2
Additional provisions made during the year	0.06	0.04	0.63	2.24				
Amounts utilised	-	-	-	-	(0.38)	(1.45)	(0.47)	(9.75)
<b>Closing balance as on 30.06.2023</b>	<b>3.90</b>	<b>2.28</b>	<b>3.84</b>	<b>2.24</b>	<b>3.21</b>	<b>-</b>	<b>3.59</b>	<b>1.45</b>

**17 Financial Liabilities - Borrowings (Current)**

Particulars	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
0.1% Non Convertible Redeemable Preference Shares (Refer Note 13)	0.87	0.87	0.87	0.87
Repayable on demand from banks				
Secured	173.74	140.52	66.97	48.11
Unsecured	123.12	56.02	123.56	100.11
Current maturities of Long term borrowings	122.59	85.25	167.88	181.04
<b>Total Borrowings under Current Liabilities</b>	<b>420.32</b>	<b>282.66</b>	<b>359.28</b>	<b>330.13</b>

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

18	<b>Trade payables</b>	<b>As at 30-06-2023</b>	<b>As at 31-03-2023</b>	<b>As at 31-03-2022</b>	<b>As at 31-03-2021</b>	
	Current					
	Dues to Micro and Small Enterprises **	31.05	25.02	10.08	43.66	
	Dues to enterprises other than Micro and Small Enterprises	356.23	374.48	356.26	228.60	
	<b>Total Trade payables</b>	<b>387.28</b>	<b>399.50</b>	<b>366.34</b>	<b>272.26</b>	
	** 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 - 36(vi)					
	<b>Ageing for Trade Payables as on 30.06.2023</b>					
	<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
		<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
	MSME	30.93	-		-	30.93
	Others	353.47	2.23	0.53		356.23
	Disputed Dues - MSME	-	0.12			0.12
	Disputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>384.40</b>	<b>2.35</b>	<b>0.53</b>	<b>-</b>	<b>387.28</b>
	<b>Ageing for Trade Payables as on 31.03.2023</b>					
	<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
		<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
	MSME	24.87	-		-	24.87
	Others	371.86	0.91	0.13	1.58	374.48
	Disputed Dues - MSME	-	0.15	-	-	0.15
	Disputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>396.73</b>	<b>1.06</b>	<b>0.13</b>	<b>1.58</b>	<b>399.50</b>
	<b>Ageing for Trade Payables as on 31.03.2022</b>					
	<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
		<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
	MSME	9.81	-	-	-	9.81
	Others	353.35	0.89	2.02	-	356.26
	Disputed Dues - MSME	-	0.27	-	-	0.27
	Disputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>363.16</b>	<b>1.16</b>	<b>2.02</b>	<b>-</b>	<b>366.34</b>
	<b>Ageing for Trade Payables as on 31.03.2021</b>					
	<b>Particulars</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
		<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
	MSME	43.66	-	-	-	43.66
	Others	228.60			-	228.60
	Disputed Dues - MSME	-	-	-	-	-
	Disputed Dues - Others	-	-	-	-	-
	<b>Total</b>	<b>272.26</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>272.26</b>

19	Other financial liabilities	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
	<b>Non-current</b>				
	Capital creditors	-	-	-	-
	Total other non-current financial liabilities	-	-	-	-
	<b>Non current</b>				
	Derivatives	-	-	0.71	5.18
	Others (Subsidiaries)	-	10.68	9.85	13.46
		-	10.68	10.56	18.64
	<b>Current</b>				
	Interest accrued but not due on loans	10.49	7.56	9.57	12.31
	Unpaid Dividends	-	-	-	-
	Dividend declared but not paid	-	-	-	-
	Employee related liabilities	60.75	44.28	21.31	16.04
	Liabilities for expenses	0.08	0.69	0.06	9.75
	Derivatives	1.74	0.37	0.18	0.70
	<b>Total other current financial liabilities</b>	<b>73.06</b>	<b>52.90</b>	<b>31.12</b>	<b>38.80</b>
20	Other current liabilities	As at 30-06-2023	As at 31-03-2023	As at 31-03-2022	As at 31-03-2021
	Statutory dues	6.99	0.06	1.48	5.54
	Advance received from customers	27.78	17.80	18.56	19.39
	Government Grant - Deferred income	1.52	1.52	1.17	1.48
	<b>Total other current liabilities</b>	<b>36.29</b>	<b>19.38</b>	<b>21.21</b>	<b>26.41</b>

		Period ended 30.06.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
<b>21</b>	<b>Revenue from operations</b>				
	Sale of products	514.57	2,025.82	1,657.17	1,116.68
	Sale of services	0.92	0.13	0.13	0.13
	Other operating revenue	5.56	26.83	35.12	11.14
	<b>Total revenue</b>	<b>521.05</b>	<b>2,052.78</b>	<b>1,692.42</b>	<b>1,127.95</b>
<b>22</b>	<b>Other income</b>				
	Dividend income				
	(i) From subsidiary	-	-	-	-
	(ii) From others	-	-	-	-
	Interest income	0.41	0.97	1.08	1.80
	Gain on foreign currency transactions and translation	-	8.89	2.42	9.59
	Net gain on sale of Investments	0.01	0.08	-	-
	Profit on sale of Property, Plant & Equipment	0.01	0.26	0.11	0.26
	<b>Total other income</b>	<b>0.43</b>	<b>10.20</b>	<b>3.61</b>	<b>11.65</b>
<b>23</b>	<b>Cost of Materials consumed:</b>				
	Opening stock of raw materials and components	34.43	35.71	29.29	27.66
	Add: Purchases	274.48	1,151.43	962.46	577.44
		308.91	1,187.14	991.75	605.10
	Less: Closing stock of raw materials and components	23.11	56.51	35.71	29.29
	<b>Consumption of raw materials and components</b>	<b>285.80</b>	<b>1,130.63</b>	<b>956.04</b>	<b>575.81</b>
<b>24</b>	<b>Changes in inventories of finished goods, work-in-process and Stock-in-Trade:</b>				
	Opening stock:				
	Work-in-process	30.77	36.96	22.44	20.98
	Finished goods	191.19	200.33	129.52	108.85
	<b>Total - (A)</b>	<b>221.96</b>	<b>237.29</b>	<b>151.96</b>	<b>129.83</b>
	Closing stock:				
	Work-in-process	41.70	41.33	36.96	22.44
	Finished goods	192.17	197.97	200.33	129.52
	<b>Total - (B)</b>	<b>233.87</b>	<b>239.30</b>	<b>237.29</b>	<b>151.96</b>
	<b>Total (A)-(B)</b>	<b>(11.91)</b>	<b>(2.01)</b>	<b>(85.33)</b>	<b>(22.13)</b>
<b>25</b>	<b>Employee benefit expense (Refer Note 32)</b>				
	Salaries, wages and bonus	67.00	242.65	164.38	137.24
	Contribution to provident and other funds	4.29	4.79	(1.98)	5.21
	Welfare expenses	8.19	30.43	33.44	22.24
	<b>Total employee benefit expense</b>	<b>79.48</b>	<b>277.87</b>	<b>195.84</b>	<b>164.69</b>
<b>26</b>	<b>Finance Costs</b>				
	Interest	20.89	57.83	42.90	43.61
	Interest on lease liabilities	0.32	1.94	2.94	3.50
	Other borrowing costs	0.06	0.28	0.55	0.36
	<b>Total finance costs</b>	<b>21.27</b>	<b>60.05</b>	<b>46.39</b>	<b>47.47</b>



<b>SUNDARAM-CLAYTON LIMITED</b>					
<b>NOTES TO RESTATED CONSOLIDATED PROFIT AND LOSS</b>					
				<b>(Rs In Crores)</b>	
<b>27</b>	<b>Depreciation and amortisation expense</b>	<b>Period ended 30.06.2023</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
	Depreciation on Property, Plant and Equipment	36.73	142.15	129.28	73.57
	Depreciation on Right-to-use asset	0.13	0.49	0.34	5.17
	Amortisation on Intangible assets	0.13	0.74	0.60	0.80
	Amortisation on leasehold land	0.12	0.50	0.50	0.13
	<b>Total depreciation and amortisation expense</b>	<b>37.11</b>	<b>143.88</b>	<b>130.72</b>	<b>79.67</b>
<b>28</b>	<b>Other expenses *</b>	<b>Period ended 30.06.2023</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
	(a) Consumption of stores, spares and tools	19.28	73.64	74.67	53.79
	(b) Power and fuel	34.34	128.22	112.07	81.44
	(c) Repairs - buildings	3.81	16.12	14.60	13.51
	(d) Repairs - plant and equipment	10.81	44.24	42.17	22.69
	(e) Repairs - others	0.23	0.60	0.35	0.27
	(f) Insurance	2.04	7.75	7.51	5.54
	(g) Rates and taxes (excluding taxes on income)	0.79	1.78	5.83	3.45
	(h) Audit fees ( Refer note 36(iii) )	0.17	0.68	0.71	0.57
	(i) Packing and freight charges	23.43	98.44	110.39	49.53
	(j) Warehousing charges	3.01	18.91	16.08	11.89
	(k) Loss on sale of Property, plant & equipment	0.03	-	3.89	0.43
	(l) Loss on foreign currency transactions and translation	0.57	-	-	-
	(l) Decrease in Fair value of Financial Assets	-	-	0.40	-
	(m) Corporate social responsibility expenditure (Refer Note 36(iv))	-	-	-	-
	(n) 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)	41.00	131.51	47.68	26.93
	<b>Total other expenses</b>	<b>139.51</b>	<b>521.89</b>	<b>436.35</b>	<b>270.04</b>
	<b>* Net of recoveries and claims made</b>				
<b>28A</b>	<b>Exceptional items</b>	<b>Period ended 30.06.2023</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
	One time voluntary separation costs	(3.33)	(17.10)	(13.48)	(13.00)
	<b>Total exceptional items</b>	<b>(3.33)</b>	<b>(17.10)</b>	<b>(13.48)</b>	<b>(13.00)</b>
<b>29</b>	<b>Current Tax</b>	<b>Period ended 30.06.2023</b>	<b>Year ended 31.03.2023</b>	<b>Year ended 31.03.2022</b>	<b>Year ended 31.03.2021</b>
	Current tax on profits for the year	7.25	27.48	16.54	4.21
	Adjustments for current tax of prior periods				-
	<b>Total current tax</b>	<b>7.25</b>	<b>27.48</b>	<b>16.54</b>	<b>4.21</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO RESTATED CONSOLIDATED PROFIT AND LOSS**

(Rs In Crores)

30	Deferred tax	Period ended 30.06.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
	Decrease (increase) in deferred tax assets	(1.87)	(6.29)	5.97	12.30
	(Decrease) increase in deferred tax liabilities	(3.49)	0.96	(3.97)	11.79
	Minimum Alternate Tax (MAT) (credit) / utilisation (net)				31.68
	<b>Total deferred tax expense / (benefit)</b>	<b>(5.36)</b>	<b>(5.33)</b>	<b>2.00</b>	<b>55.77</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>					
	Particulars	Period ended 30.06.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
	Profit before tax expense	(32.95)	(86.46)	2.66	11.07
	<b>Tax at the Indian tax rate</b>	<b>6.38</b>	<b>24.50</b>	<b>21.63</b>	<b>3.89</b>
	Difference in tax effect due to composite scheme of arrangement	0.87	2.98	-5.09	0.32
	<b>Tax expense / (benefit)</b>	<b>7.25</b>	<b>27.48</b>	<b>16.54</b>	<b>4.21</b>
31	<b>Earnings per share</b>				
	Particulars	Period ended 30.06.2023	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2021
	<b>(a) Basic and diluted earnings per share [Refer Note : 36 (x &amp; xi)]</b>				
	Basic and diluted earnings per share attributable to the equity holders of the Company (Rs.)	(17.56)	(53.31)	(8.21)	(23.50)
	<b>(b) Earnings used in calculating earnings per share [Refer Note : 36 (x &amp; xi)]</b>				
	<i>Basic and diluted earnings per share</i>				
	Profit attributable to equity holders of the company used in calculating basic earnings per share	(35.52)	(107.84)	(16.59)	(47.54)
	<b>(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>				
		2,02,32,085	2,02,32,085	2,02,32,085	2,02,32,085

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**32 - Employee benefit obligations\***

(Rs In Crores)

Particulars	June 30, 2023			March 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Pension	0.90	7.25	8.15	2.91	4.66	7.57
Leave Salary	0.62	6.81	7.43	0.59	6.42	7.01
Gratuity	(0.93)	-	(0.93)	(2.67)	-	(2.67)
<b>Total employee benefit obligations</b>	<b>0.59</b>	<b>14.06</b>	<b>14.65</b>	<b>0.83</b>	<b>11.08</b>	<b>11.91</b>

Particulars	March 31, 2022			March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Pension	4.12	4.32	8.44	3.48	3.85	7.33
Leave Salary	1.05	7.02	8.07	0.91	5.93	6.84
Gratuity	-	4.71	4.71	(0.03)	-	(0.03)
<b>Total employee benefit obligations</b>	<b>5.17</b>	<b>16.05</b>	<b>21.22</b>	<b>4.36</b>	<b>9.78</b>	<b>14.14</b>

\* All above employee benefits notes form part of indian entity and employee benefits incurred by foreign subsidiaries are not considered being governed by separate

**Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the years are as follows:**

	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
<b>April 1, 2023</b>	<b>26.32</b>	<b>28.97</b>	<b>(2.67)</b>	<b>7.57</b>	-	<b>7.57</b>	<b>7.00</b>	-	<b>7.00</b>
Current service cost	0.29	-	0.29	-	-	-	-	-	-
Interest expense/(income)	0.38	0.44	(0.06)	0.52	-	0.52	0.07	-	0.07
Experience (gains)/losses	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	-	-	-
<b>Total amount recognised in statement of profit and loss</b>	<b>0.67</b>	<b>0.44</b>	<b>0.23</b>	<b>0.52</b>	-	<b>0.52</b>	<b>0.07</b>	-	<b>0.07</b>
<i>Remeasurements</i>									
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	0.07	-	0.07	0.10	-	0.10	0.03	-	0.03
Experience (gains)/losses	1.43	-	1.43	0.20	-	0.20	0.58	-	0.58
<b>Total amount recognised in other comprehensive income</b>	<b>1.50</b>	-	<b>1.50</b>	<b>0.30</b>	-	<b>0.30</b>	<b>0.61</b>	-	<b>0.61</b>
Employer contribution	-	-	-	-	-	-	-	-	-
Benefit payments	(0.87)	(0.87)	-	(0.24)	-	(0.24)	(0.25)	-	(0.25)
<b>June 30, 2023</b>	<b>27.62</b>	<b>28.54</b>	<b>(0.93)</b>	<b>8.15</b>	-	<b>8.15</b>	<b>7.43</b>	-	<b>7.43</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS** (Rs In Crores)

**32 - Employee benefit obligations\***

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the years are as follows:

	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
<b>April 1, 2022</b>	<b>26.98</b>	<b>22.26</b>	<b>4.70</b>	<b>8.44</b>	-	<b>8.44</b>	<b>8.07</b>	-	<b>8.07</b>
Current service cost	1.38	-	1.38	-	-	-	-	-	-
Interest expense/(income)	1.60	1.45	0.14	0.53	-	0.53	0.48	-	0.48
Experience (gains)/losses	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	-	-	-
<b>Total amount recognised in statement of profit and loss</b>	<b>2.98</b>	<b>1.45</b>	<b>1.52</b>	<b>0.53</b>	-	<b>0.53</b>	<b>0.48</b>	-	<b>0.48</b>
<i>Remeasurements</i>									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.03)	1.03	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.82	-	0.82	(0.36)	-	(0.36)	0.05	-	0.05
Experience (gains)/losses	(2.01)	-	(2.01)	(0.26)	-	(0.26)	2.26	-	2.26
<b>Total amount recognised in other comprehensive income</b>	<b>(1.19)</b>	<b>(1.03)</b>	<b>(0.16)</b>	<b>(0.62)</b>	-	<b>(0.62)</b>	<b>2.31</b>	-	<b>2.31</b>
Employer contribution	-	8.74	(8.74)	-	-	-	-	-	-
Benefit payments	(2.45)	(2.45)	-	(0.78)	-	(0.78)	(3.86)	-	(3.86)
<b>March 31, 2023</b>	<b>26.32</b>	<b>28.97</b>	<b>(2.67)</b>	<b>7.57</b>	-	<b>7.57</b>	<b>7.00</b>	-	<b>7.00</b>

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
<b>April 1, 2021</b>	<b>24.86</b>	<b>24.88</b>	<b>(0.03)</b>	<b>7.33</b>	-	<b>7.33</b>	<b>6.84</b>	-	<b>6.84</b>
Current service cost	1.57	-	1.57	-	-	-	-	-	-
Interest expense/(income)	1.49	1.31	0.17	0.40	-	0.40	0.44	-	0.44
Experience (gains)/losses	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	-	-	-
<b>Total amount recognised in statement of profit and loss</b>	<b>3.06</b>	<b>1.31</b>	<b>1.74</b>	<b>0.40</b>	-	<b>0.40</b>	<b>0.44</b>	-	<b>0.44</b>
<i>Remeasurements</i>									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(1.24)	1.24	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.73)	-	(0.73)	(0.74)	-	(0.74)	(0.22)	-	(0.22)
Experience (gains)/losses	2.48	-	2.48	1.80	-	1.80	4.89	-	4.89
<b>Total amount recognised in other comprehensive income</b>	<b>1.75</b>	<b>(1.24)</b>	<b>2.99</b>	<b>1.06</b>	-	<b>1.06</b>	<b>4.67</b>	-	<b>4.67</b>
Employer contribution	-	-	-	-	-	-	-	-	-
Benefit payments	(2.69)	(2.69)	-	(0.35)	-	(0.35)	(3.88)	-	(3.88)
<b>March 31, 2022</b>	<b>26.98</b>	<b>22.26</b>	<b>4.70</b>	<b>8.44</b>	-	<b>8.44</b>	<b>8.07</b>	-	<b>8.07</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**32 - Employee benefit obligations\***

(Rs In Crores)

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation / other employee benefits over the years 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
<b>April 1, 2020</b>	<b>20.61</b>	<b>17.58</b>	<b>3.02</b>	<b>6.16</b>	-	<b>6.16</b>	<b>6.32</b>	-	<b>6.32</b>
Current service cost	1.42	-	1.42	-	-	-	-	-	-
Interest expense/(income)	1.31	1.14	0.17	0.33	-	0.33	0.44	-	0.44
<b>Total amount recognised in statement of profit and loss</b>	<b>2.73</b>	<b>1.14</b>	<b>1.59</b>	<b>0.33</b>	-	<b>0.33</b>	<b>0.44</b>	-	<b>0.44</b>
<i>Remeasurements</i>									
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	(0.77)	-	(0.77)	0.42	-	0.42	(0.21)	-	(0.21)
Experience (gains)/losses	(0.28)	-	(0.28)	0.75	-	0.75	2.95	-	2.95
<b>Total amount recognised in other comprehensive income</b>	<b>(1.05)</b>	-	<b>(1.05)</b>	<b>1.17</b>	-	<b>1.17</b>	<b>2.74</b>	-	<b>2.74</b>
Employer contribution	-	3.59	(3.59)	-	-	-	-	-	-
Benefit payments	2.57	2.57	-	(0.33)	-	(0.33)	(2.66)	-	(2.66)
<b>March 31, 2021</b>	<b>24.86</b>	<b>24.88</b>	<b>(0.03)</b>	<b>7.33</b>	-	<b>7.33</b>	<b>6.84</b>	-	<b>6.84</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**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			
	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Discount rate	7.19%	7.22%	7.36%	6.66%	6.99%	7.15%	5.50%	5.51%	7.15%	7.20%	7.31%	6.64%
Inflation												
Salary growth rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	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.

\* All above employee benefits notes form part of indian entity and employee benefits incurred by foreign subsidiaries are not considered being governed by separate law

**(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	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022
Discount rate	0.50%	0.50%	0.50%	0.50%	24.83	23.40	24.19	22.77	27.58	25.95	26.68	25.27
Salary growth rate	0.50%	0.50%	0.50%	0.50%	27.60	25.97	26.69	25.28	24.81	23.37	24.17	22.76
Mortality rate	5.00%	5.00%	5.00%	5.00%	26.16	24.62	25.38	23.97	26.14	24.61	25.38	23.96

Pension	Change in assumption				Impact on defined benefit obligation							
					Increase in assumption				Decrease in assumption			
	Details	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022
Discount rate	1.00%	1.00%	1.00%	1.00%	24.41	23.79	26.34	19.12	28.59	27.89	31.36	23.05
Salary growth rate	1.00%	1.00%	1.00%	1.00%	28.72	28.02	31.47	23.14	24.27	23.66	26.22	19.01
Mortality rate	5.00%	5.00%	5.00%	5.00%	25.96	25.32	28.18	20.59	26.74	26.07	29.14	21.27

Leave Salary	Change in assumption				Impact on defined benefit obligation							
					Increase in assumption				Decrease in assumption			
	Details	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021	June 30, 2023	March 31, 2023	March 31, 2022
Discount rate	0.50%	0.50%	0.50%	0.005	8.01	7.49	8.62	6.74	8.71	8.15	9.38	7.37
Salary growth rate	0.50%	0.50%	0.50%	0.005	8.71	8.16	9.39	7.37	8.00	7.48	8.62	6.73
Mortality rate	5.00%	5.00%	5.00%	0.05	8.35	7.81	8.99	7.04	8.34	7.81	8.99	7.04

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.

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**32 - Employee benefit obligations**

**(iii) Risk exposure**

Through its defined benefit plans, the company 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 company 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 company 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 Company's contribution to defined contribution plan i.e., provident fund of Rs. 6.75 crores (previous year Rs.6.68 crores) has been recognised in the Statement of Profit and Loss.

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

**(Rs In Crores)**

Financial instruments by category	June 30, 2023			March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	5.99	-	-	5.83	-
- Others	-	-	4.74	-	-	3.84
Trade receivables	-	-	272.27	-	-	252.29
Balances with Banks	-	-	127.16	-	-	103.75
Derivative financial assets	4.80	-	-	5.98	-	-
Security deposits	-	-	9.07	-	-	8.92
Other financial assets	-	-	9.52	-	-	4.19
<b>Total financial assets</b>	<b>4.80</b>	<b>5.99</b>	<b>422.76</b>	<b>5.98</b>	<b>5.83</b>	<b>372.99</b>
<b>Financial liabilities</b>						
Trade payables	-	-	387.28	-	-	399.50
Borrowings - Current	-	-	297.73	-	-	197.41
Borrowings - Non Current	-	-	763.43	-	-	799.18
Current Maturities of long term borrowings	-	-	122.59	-	-	85.25
Derivative financial liabilities	-	1.74	-	-	11.05	-
Lease Liabilities	-	-	20.87	-	-	24.98
Other financial liabilities	-	-	71.32	-	-	52.53
<b>Total financial liabilities</b>	<b>-</b>	<b>1.74</b>	<b>1,663.22</b>	<b>-</b>	<b>11.05</b>	<b>1,558.85</b>



**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

(Rs In Crores)

Financial instruments by category	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	5.86	-	-	5.74	-
- Others	-	-	4.61	-	-	4.59
Trade receivables	-	-	266.83	-	-	222.23
Balances with Banks	-	-	123.61	-	-	21.10
Derivative financial assets	5.09	-	-	12.09	-	-
Security deposits	-	-	8.36	-	-	7.85
Other financial assets	-	-	5.96	-	-	5.91
<b>Total financial assets</b>	<b>5.09</b>	<b>5.86</b>	<b>409.37</b>	<b>12.09</b>	<b>5.74</b>	<b>261.68</b>
<b>Financial liabilities</b>						
Trade payables	-	-	366.34	-	-	272.26
Borrowings - Current	-	-	191.40	-	-	149.09
Borrowings - Non Current	-	-	595.07	-	-	567.31
Current Maturities of long term borrowings	-	-	167.88	-	-	181.04
Derivative financial liabilities	-	10.74	-	-	19.34	-
Lease Liabilities	-	-	35.56	-	-	43.20
Other financial liabilities	-	-	30.94	-	-	38.10
<b>Total financial liabilities</b>	<b>-</b>	<b>10.74</b>	<b>1,387.19</b>	<b>-</b>	<b>19.34</b>	<b>1,251.00</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

**(Rs In Crores)**

**(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**

<b>At 30 June 2023</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<b><u>Financial assets at FVTPL:</u></b>					
Derivative financial asset	5	-	4.80	-	4.80
<b><u>Financial assets at FVOCI:</u></b>					
<b><u>Investments</u></b>					
- Equity instruments	4	-	-	4.88	4.88
- Others		-	-		-
Derivative financial asset	5	-	-		-
<b>Total financial assets</b>		<b>-</b>	<b>4.80</b>	<b>4.88</b>	<b>9.68</b>
<b>Financial liabilities</b>					
<b><u>Financial liabilities at FVTPL:</u></b>					
Derivative financial liability	19	-	-	-	-
<b><u>Financial liabilities at FVOCI:</u></b>					
Derivative financial liability	19	-	1.74	-	1.74
<b>Total financial liabilities</b>		<b>-</b>	<b>1.74</b>		<b>1.74</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

(Rs In Crores)

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

<b>At 30 June 2023</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<u>Investments</u>					
Equity instruments	4 (b)	-	-	1.11	1.11
Others	4 (a)	-	-	4.74	4.74
Other Financial Assets	5,9,10	-	-	418.02	418.02
<b>Total financial assets</b>		-	-	<b>423.87</b>	<b>423.87</b>
<b>Financial Liabilities</b>					
Borrowings	15,17	-	-	1,183.75	1,183.75
Other Financial Liabilities	19	-	-	479.47	479.47
<b>Total financial liabilities</b>		-	-	<b>1,663.22</b>	<b>1,663.22</b>

**Financial assets and liabilities measured at fair value - recurring fair value measurements**

<b>At 31 March 2023</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<b>Financial assets at FVTPL:</b>					
Derivative financial asset	5	-	5.98	-	5.98
<b>Financial assets at FVOCI:</b>					
<u>Investments</u>					
- Equity instruments	4	-	-	4.88	4.88
- Others		-	-	-	-
Derivative financial asset	5	-	-	-	-
<b>Total financial assets</b>		-	<b>5.98</b>	<b>4.88</b>	<b>10.86</b>
<b>Financial liabilities</b>					
<b>Financial liabilities at FVTPL:</b>					
Derivative financial liability	19	-	-	-	-
<b>Financial liabilities at FVOCI:</b>					
Derivative financial liability	19	-	11.05	-	11.05
<b>Total financial liabilities</b>		-	<b>11.05</b>		<b>11.05</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

(Rs In Crores)

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

<b>At 31 March 2023</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<u>Investments</u>					
Equity instruments	4 (b)	-	-	0.95	<b>0.95</b>
Others	4 (a)	-	-	3.84	<b>3.84</b>
Other Financial Asset	5,9,10			369.15	<b>369.15</b>
<b>Total financial assets</b>		-	-	<b>373.94</b>	<b>373.94</b>
<b>Financial Liabilities</b>					
Borrowings	15,17	-	-	1,081.84	<b>1,081.84</b>
Other Financial Liabilities	19			477.01	<b>477.01</b>
<b>Total financial liabilities</b>		-	-	<b>1,558.85</b>	<b>1,558.85</b>

**Financial assets and liabilities measured at fair value - recurring fair value measurements**

<b>At 31 March 2022</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<b><u>Financial Investments at FVTPL:</u></b>					
Derivative financial asset	5	-	5.09	-	<b>5.09</b>
<b><u>Financial Investments at FVOCI:</u></b>					
<u>Investments</u>					
- Equity instruments	4	-	-	4.88	<b>4.88</b>
- Others		-	-	-	<b>-</b>
Derivative financial asset	5	-	-	-	<b>-</b>
<b>Total financial assets</b>		-	<b>5.09</b>	<b>4.88</b>	<b>9.97</b>
<b>Financial liabilities</b>					
<b><u>Financial Investments at FVTPL:</u></b>					
Derivative financial liability	19	-	-	-	<b>-</b>
<b><u>Financial Investments at FVOCI:</u></b>					
Derivative financial liability	19	-	10.74	-	<b>10.74</b>
<b>Total financial liabilities</b>		-	<b>10.74</b>	<b>-</b>	<b>10.74</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

(Rs In Crores)

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

<b>At 31 March 2022</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<u>Investments</u>					
Equity instruments	4 (b)	-	-	0.98	<b>0.98</b>
Others	4 (a)	-	-	4.61	<b>4.61</b>
Other Financial Assets	5,9,10			404.76	<b>404.76</b>
<b>Total financial assets</b>		-	-	<b>410.35</b>	<b>410.35</b>
<b>Financial Liabilities</b>					
Borrowings	15,17	-	-	954.35	<b>954.35</b>
Other Current Liabilities	19			432.84	<b>432.84</b>
<b>Total financial liabilities</b>		-	-	<b>1,387.19</b>	<b>1,387.19</b>

**Financial assets and liabilities measured at fair value - recurring fair value measurements**

<b>At 31 March 2021</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<b><u>Financial Investments at FVTPL:</u></b>					
Derivative financial asset	5	-	12.09	-	<b>12.09</b>
<b><u>Financial Investments at FVOCI:</u></b>					
<u>Investments</u>					
- Equity instruments	4	-	-	4.88	<b>4.88</b>
- Others		-	-	-	<b>-</b>
Derivative financial asset	5	-	-	-	<b>-</b>
<b>Total financial assets</b>		-	<b>12.09</b>	<b>4.88</b>	<b>16.97</b>
<b>Financial liabilities</b>					
<b><u>Financial Investments at FVTPL:</u></b>					
Derivative financial liability	19	-	-	-	<b>-</b>
<b><u>Financial Investments at FVOCI:</u></b>					
Derivative financial liability	19	-	19.34	-	<b>19.34</b>
<b>Total financial liabilities</b>		-	<b>19.34</b>	<b>-</b>	<b>19.34</b>

**SUNDARAM-CLAYTON LIMITED**  
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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**33 - Fair value measurements**

(Rs In Crores)

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

<b>At 31 March 2021</b>	<b>Notes</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>					
<u>Investments</u>					
Equity instruments	4 (b)	-	-	0.86	<b>0.86</b>
Others	4 (a)	-	-	4.59	<b>4.59</b>
Other Financial Assets	5,9,10	-	-	257.09	<b>257.09</b>
<b>Total financial assets</b>		-	-	<b>262.54</b>	<b>262.54</b>
<b>Financial Liabilities</b>					
Borrowings	15,17	-	-	897.44	<b>897.44</b>
Other Financial Liabilities	19	-	-	353.56	<b>353.56</b>
<b>Total financial liabilities</b>		-	-	<b>1,251.00</b>	<b>1,251.00</b>

**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 company'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 principle 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.

**(iii) Valuation processes**

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevered financial data

**(iv) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of trade receivables, trade payables, deposits, cash and cash equivalents, employee advances, claims receivables and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature and insignificant change in interest rate.

FVTPL - Fair value through statement of Profit and Loss

FVOCI - Fair value through Other Comprehensive Income

FVTPL - Fair value through statement of Profit and Loss; FVOCI - Fair value through Other Comprehensive Income.

**SUNDARAM-CLAYTON LIMITED**  
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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34 - Financial risk management**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity 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		<p>i) The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions.</p> <p>ii) Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).</p> <p>iii) The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has a forex management policy which is duly approved by the Board.</p> <p>iv) The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.</p>
Market Risk - Interest rate	Foreign currency denominated borrowings	<p>i) The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow risk.</p> <p>ii) Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps. The Company's fixed rate borrowings are carried at amortised cost.</p> <p>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.</p>
Liquidity risk	Borrowings (Other than soft loans given by Govt. Authorities)	<p>i) The company'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.</p> <p>ii) The Company prepares a detailed annual operating plans to assess the fund requirements - both short term and long term.</p> <p>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.</p> <p>iv) Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board.</p> <p>v) For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc.</p> <p>vi) The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cashflow from operations to ensure that the borrowings are minimized.</p>
	Credit Risk	<p>i) Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost.</p> <p>ii) The Company 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.</p> <p>iii) To assess whether there is a significant increase in credit risk the Company 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.</p> <p>iv) It considers available reasonable and supportive forward-looking information (more specifically described below).</p> <p>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 entity operates and other macro-economic factors.</p>
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	<p>i) The Company extends credit to the customers and such extension of credit is based on customers' credit worthiness, ability to repay and past track record.</p> <p>ii) The Company has extensive reporting systems and review to constantly monitor the receivables.</p>
	c. Export Trade Receivables	The Company'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.
Risk	Exposure arising from	Risk Parameters and Mitigation
	Export trade receivables and Import Payables	<p>i) The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure.</p> <p>ii) Company 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.</p>
	Foreign currency denominated borrowings	The company 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.



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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**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 Company. Where loans or receivables have been written off, the Company 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		

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**34 - Financial Risk Management - (Continued)**

(Rs In Crores)

**30-Jun-23**

**a). Expected credit loss for investments, loans and other financial assets**

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected	Expected credit	Carrying
Loss allowance measured at 12 month expected credit loss	1	Investments at amortised cost	131.90	-	-	131.90
	1	Investments at FVOCI	5.99	-	-	5.99
	1	Derivative Financial Asset- FVTPL	4.80	-	-	4.80
	1	Other financial assets	18.59	-	-	18.59

**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	275.28	4.55	279.83
Expected loss rate	1%	100%	-
Expected credit losses	3.01	4.55	7.56
Carrying amount of trade receivables	272.27	-	272.27

**31-Mar-23**

**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	107.59	-	-	107.59
	1	Investments at FVOCI	5.83	-	-	5.83
	1	Derivative Financial Asset- FVTPL	5.98	-	-	5.98
	1	Other financial assets	13.11	-	-	13.11

**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	233.48	27.22	260.70
Expected loss rate	0%	30%	-
Expected credit losses	0.15	8.26	8.41
Carrying amount of trade receivables	233.33	18.96	252.29

**SUNDARAM-CLAYTON LIMITED**  
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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34 - Financial Risk Management - (Continued)**

**31-Mar-22**

**(Rs In Crores)**

**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	128.22	-	-	128.22
	1	Investments at FVOCI	5.86			5.86
	1	Derivative Financial Asset- FVTPL	5.09			5.09
	1	Other financial assets	14.32	-	-	14.32

**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	266.83	3.60	270.43
Expected loss rate	0%	100%	-
Expected credit losses	-	3.60	3.60
Carrying amount of trade receivables	266.83	-	266.83

**31-Mar-21**

**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	25.69	-	-	25.69
	1	Investments at FVOCI	5.74	-	-	5.74
	1	Derivative Financial Asset- FVTPL	12.09	-	-	12.09
	1	Other financial assets	13.76	-	-	13.76

**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	222.23	5.77	228.00
Expected loss rate	0%	100%	-
Expected credit losses	-	5.77	5.77
Carrying amount of trade receivables	222.23	-	222.23

**SUNDARAM-CLAYTON LIMITED**  
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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34 - Financial Risk Management - (Continued)**

<b>Loss allowance March 31, 2021</b>	<b>5.77</b>
Changes in loss allowance	(2.17)
<b>Loss allowance March 31, 2022</b>	<b>3.60</b>
Changes in loss allowance	4.81
<b>Loss allowance March 31, 2023</b>	<b>8.41</b>
Changes in loss allowance	(0.85)
<b>Loss allowance June 30, 2023</b>	<b>7.56</b>

(Rs In Crores)

**(B) Liquidity risk**

**(i) Financing arrangements**

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

<b>Floating rate</b>	<b>30 June, 2023</b>	<b>31 March, 2023</b>	<b>31 March, 2022</b>	<b>31 March, 2021</b>
- Expiring within one year (bank overdraft and other facilities)	482.27	582.59	338.84	711.91

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 company'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.

**30-Jun-23**

<b>Contractual Maturities of Financial Liabilities</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	19.89	46.56	174.27	424.99	518.04	1,183.75
Trade payables	384.40	-	-	2.88	-	387.28
Lease liabilities	3.85	3.85	7.21	0.24	5.72	20.87
Other financial liabilities	71.32	-	-	-	-	71.32
Derivatives	1.74	-	-	-	-	1.74

**31-Mar-23**

<b>Contractual Maturities of Financial Liabilities</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	19.97	19.97	115.51	431.03	495.36	1,081.84
Trade payables	396.73	-	-	2.77	-	399.50
Lease liabilities	3.85	3.85	7.70	3.27	6.31	24.98
Other financial liabilities	52.53	-	-	-	-	52.53
Derivatives	11.05	-	-	-	-	11.05

**31-Mar-22**

<b>Contractual Maturities of Financial Liabilities</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	86.03	172.03	46.78	341.07	308.44	954.35
Trade payables	363.16	-	-	3.18	-	366.34
Lease liabilities	3.20	3.20	6.73	16.46	5.97	35.56
Other financial liabilities	30.94	-	-	-	-	30.94
Derivatives	10.74	-	-	-	-	10.74

**31-Mar-21**

<b>Contractual Maturities of Financial Liabilities</b>	<b>Less than 3 months</b>	<b>3 months to 6 months</b>	<b>6 months to 1 year</b>	<b>1 year to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
Borrowings	80.76	136.71	66.70	319.62	293.65	897.44
Trade payables	272.26	-	-	-	-	272.26
Lease liabilities	3.20	3.20	6.40	23.11	3.75	39.66
Other financial liabilities	38.10	-	-	-	-	38.10
Derivatives	19.34	-	-	-	-	19.34

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**34 - Financial Risk Management - (Continued)**

**(C) Market risk**

**(i) Foreign exchange risk**

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	30-06-2023		31-03-2023	
	USD	EUR	USD	EUR
<u>Financial assets</u>				
Trade receivables	206.17	58.94	206.45	58.84
Derivatives	5.37	0.01	5.37	0.01
<b>Exposure to foreign currency risk (assets)</b>	<b>211.54</b>	<b>58.95</b>	<b>211.82</b>	<b>58.85</b>
<u>Financial liabilities</u>				
Foreign currency loan	139.79	-	155.22	-
Trade payables	3.72	2.69	3.73	2.69
Derivatives	0.02	0.35	0.02	0.35
<b>Exposure to foreign currency risk (liabilities)</b>	<b>143.53</b>	<b>3.04</b>	<b>158.97</b>	<b>3.04</b>
<b>Net Exposure to foreign currency risk assets / (liabilities)</b>	<b>68.01</b>	<b>55.91</b>	<b>52.85</b>	<b>55.81</b>

	31-03-2022		31-03-2021	
	USD	EUR	USD	EUR
<u>Financial assets</u>				
Trade receivables	148.46	59.91	69.48	32.74
Derivatives	5.01	0.08	10.94	1.15
<b>Exposure to foreign currency risk (assets)</b>	<b>153.47</b>	<b>59.99</b>	<b>80.42</b>	<b>33.89</b>
<u>Financial liabilities</u>				
Foreign currency loan	224.84	-	318.26	-
Trade payables	23.91	0.86	23.63	2.55
Derivatives	0.88	0.01	5.88	-
<b>Exposure to foreign currency risk (liabilities)</b>	<b>249.63</b>	<b>0.87</b>	<b>347.77</b>	<b>2.55</b>
<b>Net Exposure to foreign currency risk assets / (liabilities)</b>	<b>(96.16)</b>	<b>59.12</b>	<b>(267.35)</b>	<b>31.34</b>

Note: Company has insignificant exposure to other foreign currencies and therefore the foreign currency risk of the same is immaterial

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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34 - Financial Risk Management - (Continued)**

**Sensitivity**

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit after tax*			
	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>USD sensitivity</b>				
INR/USD Increases by 10%	5.03	12.66	(7.35)	(20.43)
INR/USD Decreases by 10%	(5.03)	(12.66)	7.35	20.43
<b>EURO sensitivity</b>				
INR/EURO Increases by 10%	4.24	4.23	4.48	2.33
INR/EURO Decreases by 10%	(4.24)	(4.23)	(4.48)	(2.33)

	Impact on other components of equity*			
	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
<b>USD sensitivity</b>				
INR/USD Increases by 10%	0.12	0.12	0.06	0.43
INR/USD Decreases by 10%	(0.12)	(0.12)	(0.06)	(0.43)
<b>EURO sensitivity</b>				
INR/EURO Increases by 10%	-	-	-	0.01
INR/EURO Decreases by 10%	-	-	-	(0.01)

\* 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).

	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Variable rate borrowings	591.74	458.64	544.42	330.13
Fixed rate borrowings	714.60	708.45	552.89	690.10

(Rs in Crores)

Sensitivity	Impact on profit after tax			
	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Increase in interest rates by 100 bps	(4.48)	(3.48)	(4.13)	(2.47)
Decrease in interest rates by 100 bps	4.48	3.48	4.13	2.47

**(iii) Price risk**

The company's exposure to equity securities price risk arises from investments held by the Company 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 Company diversifies its portfolio. The impact of the changes in price risk is not material.

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34 - Financial Risk Management - (Continued)**

**(D) Impact of hedging activities**

**(Rs in Crores)**

- i) Disclosure of effects of hedge accounting on financial position  
(a) Disclosure of effects of hedge accounting on financial position as at 30-06-2023

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	261.77	-	0.61	0.37	Jul'23 to Sep'23	-	-
Principal Only Swaps(POS), Interest Rate Swaps(IRS) & Call Spread	-	139.79	5.37	-	Jul'23 to Feb'24	-	-

- (b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

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	261.71	-	0.61	0.37	Apr'23 to Jun'23	0.09	(0.09)
Principal Only Swaps(POS), Interest Rate Swaps(IRS) & Call Spread	-	155.22	5.37	-	Apr'23 to Feb'24	1.33	(1.33)

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**34 - Financial Risk Management - (Continued)**

(c) Disclosure of effects of hedge accounting on financial position as at 31-03-2022

(Rs In Crores)

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	77.48	-	0.17	0.02	Apr'22 to May'22	(1.10)	1.10
Principal Only Swaps(POS) & Interest Rate Swaps(IRS)	-	224.74	4.91	0.87	Apr'22 to Feb'24	(0.92)	0.92

(d) Disclosure of effects of hedge accounting on financial position as at 31-03-2021

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	138.55	-	1.43	0.18	Apr'21 to Jun'21	5.48	(5.48)
Principal Only Swaps(POS) & Interest Rate Swaps(IRS)	-	318.26	10.66	5.70	Apr'21 to Feb'24	(7.05)	7.05

ii) Disclosure of effects of hedge accounting on financial performance :  
for the year ended 30-06-2023 :

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	0.91	-	0.74	-



**SUNDARAM-CLAYTON LIMITED**  
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**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**34 - Financial Risk Management - (Continued)**

for the year ended 31-03-2023 :

(Rs in Crores)

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	0.74	-	(0.40)	-

for the year ended 31-03-2022 :

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	(0.40)	-	(3.70)	-

for the year ended 31-03-2021 :

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	(3.70)	-	(9.33)	-

**Movements in Cash flow hedging reserve**

<b>Closing balance as at March 31, 2020</b>	<b>(0.33)</b>	<b>(9.00)</b>	<b>(9.33)</b>
Change in fair value of hedging instruments		7.53	7.53
Reclassification to statement of profit and loss	-	-	-
Deferred tax on the above	-	(1.90)	(1.90)
<b>Closing balance as at March 31, 2021</b>	<b>(0.33)</b>	<b>(3.37)</b>	<b>(3.70)</b>
Change in fair value of hedging instruments	-	4.78	4.78
Reclassification to statement of profit and loss	-	-	-
Deferred tax on the above	-	(1.48)	(1.48)
<b>Closing balance as at March 31, 2022</b>	<b>(0.33)</b>	<b>(0.07)</b>	<b>(0.40)</b>
Change in fair value of hedging instruments		1.53	1.53
Reclassification to statement of profit and loss		-	-
Deferred tax on the above	-	(0.39)	(0.39)
<b>Closing balance as at March 31, 2023</b>	<b>(0.33)</b>	<b>1.07</b>	<b>0.74</b>
Change in fair value of hedging instruments		0.45	0.45
Reclassification to statement of profit and loss		-	-
Deferred tax on the above	-	(0.28)	(0.28)
<b>Closing balance as at June 30, 2023</b>	<b>(0.33)</b>	<b>1.24</b>	<b>0.91</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**35 - Capital management**

**(Rs In Crores)**

**(a) Risk management**

The Company'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

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 Company monitors capital on the basis of the following gearing ratio:

Net debt divided by total equity

Gearing ratio refers to the level of a company's debt compared to its total equity.

The Company's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

<b>Particulars</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Net Debt	1,056.59	978.09	830.74	876.34
Total equity	727.81	763.98	547.26	419.85
<b>Net Debt to equity ratio</b>	<b>1.45</b>	<b>1.28</b>	<b>1.52</b>	<b>2.09</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**36 - Other Disclosures**

**(Rs In Crores)**

**(i) Contingent liabilities**

Details	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
(i) Claims against the Company not acknowledged as debt				
- Income tax		-	0.58	0.61
- Service tax/Excise			0.19	0.22
- Value Added Tax	0.19	0.19		
- Goods and Service Tax <sup>#</sup>	59.94	59.94	-	
(ii) Guarantees excluding Financial Guarantees	-	-	0.59	0.59
(iii) Other money for which the Company is contingently liable	-	4.47	6.03	11.50
<b>Total</b>	<b>60.13</b>	<b>64.60</b>	<b>7.39</b>	<b>12.92</b>

<sup>#</sup>The company is the process of filing the appeals with the respective appellate authorities. These appeals are proposed to be filed within the respective due dates.

**(ii) Capital commitments**

Details	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	219.14	210.65	10.89	22.21
<b>Total</b>	<b>219.14</b>	<b>210.65</b>	<b>10.89</b>	<b>22.21</b>

**(iii) Audit Fees**

Details	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
As statutory auditors	0.13	0.53	0.55	0.42
Taxation matters	0.04	0.15	0.16	0.15
<b>Total</b>	<b>0.17</b>	<b>0.68</b>	<b>0.71</b>	<b>0.57</b>

**(iv) Expenditure incurred on Corporate Social Responsibility activities\*:**

Details	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
(a) Gross amount required to be spent by the company during the year				
(b) Amount spent during the year in cash:				
(i) Construction / acquisition of any asset				
(ii) On purposes other than (i) above				
<b>Total</b>	-	-	-	-
(c) Shortfall at the end of the year	-	-	-	-
(d) Total of previous years shortfall	-	-	-	-
(e) Reason for shortfall	NA	NA	NA	NA
(f) Nature of CSR activities	Economic development, Education, Environment, Health, Infrastructure & Water Conservation			
(g) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA	NA	NA
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA	NA	NA

\* CSR Originally spent by Demerged company and complied, however due to scheme of demerger the same has not be highlighted separately

<b>SUNDARAM-CLAYTON LIMITED</b>					
<b>NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS</b>					
<b>36 - Other Disclosures</b>				<b>(Rs In Crores)</b>	
<b>(v) Segment Reporting:</b>					
This disclosure is given as part of consolidated accounts.					
<b>(vi)</b>	<b>Trade payables</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Trade payables include amount due to micro and small scale industrial units	31.05	25.02	10.08	43.66
	<b>Disclosure under Micro, Small and Medium Enterprises Development Act, 2006</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	(i) The principal amount and interest due thereon remaining unpaid to any supplier at the end of each accounting year:				
	a) Principal (all are within agreed credit period and not due for payment)	31.05	25.02	10.08	43.66
	b) Interest (as no amount is overdue)	Nil	Nil	Nil	Nil
	(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil	Nil
	(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil	Nil
	(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil	Nil	Nil
	(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil	Nil	Nil
<b>(vii)</b>	<b>Trade Receivables</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Considered good - Unsecured	279.83	260.70	270.43	228.00
	Having significant increase in credit risk	-	-	-	-
	Credit impaired	-	-	-	-
	<b>Total</b>	<b>279.83</b>	<b>260.70</b>	<b>270.43</b>	<b>228.00</b>
	Loss allowance	7.56	8.41	3.60	5.77
	<b>Total trade receivables</b>	<b>272.27</b>	<b>252.29</b>	<b>266.83</b>	<b>222.23</b>
<b>(viii) Leases :</b>					
<b>Lease obligations</b>					
	<b>Details</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Opening Debt	24.98	35.56	43.20	56.93
	Cash flows	(4.43)	(12.52)	(10.58)	(17.23)
	Deletions(preclosures)	-	-	-	-
	Interest expenses	0.32	1.94	2.94	3.50
	<b>Closing Debt</b>	<b>20.87</b>	<b>24.98</b>	<b>35.56</b>	<b>43.20</b>
	Current lease obligation	15.23	17.30	15.42	14.83
	Non current lease obligation	5.64	7.68	20.14	28.37
	<b>Details</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Payment towards short term leases	-	1.54	2.40	-
	Payment towards low value asset leases	-	-	-	-
<b>(ix)</b>	<b>Borrowing costs capitalised :</b>				
	<b>Details</b>	<b>30-Jun-23</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Capitalised Cost	-	0.89	0.50	0.43
The capitalisation rate used to determine borrowing costs to be capitalised is weighted average interest rate of 8.20%					

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**36 - Other Disclosures**

**(Rs In Crores)**

**(x) Composite scheme of arrangement :**

On February 9, 2022, the Board of Directors of the Company approved a Composite Scheme Of Arrangement (“the Scheme”) of TVS Holdings Limited (formerly Sundaram-Clayton Limited) (“Transferee Company” or “Demerged Company”) and TVS Holdings Private Limited (“Transferor Company 1”) and VS Investments Private Limited (“Transferor Company 2”) and Sundaram-Clayton Limited (formerly Sundaram-Clayton DCD Limited) (“Resulting Company”) subject to necessary approvals of shareholders, creditors, SEBI, Stock Exchanges, National Company Law Tribunal, Chennai, (“Hon’ble NCLT”), other governmental authorities and third parties as may be required.

NSE and BSE by their respective letter dated July 29, 2022, issued to the Company have conveyed their "No Objection" on the Scheme, and based on their No Objection, the Company filed an application with Hon'ble NCLT for approval of the Scheme.

Hon’ble NCLT vide their Order dated November 9, 2022, directed to convene the meetings of the Equity Shareholders, Unsecured Creditors of the Company, and Secured Creditors of Transferor Company 2, on December 16, 2022 (“NCLT Convened Meeting”) for their approval. Pursuant to the directions of Hon’ble NCLT, the NCLT Convened Meetings were held, and the resolutions were passed with the requisite majority. Post the approval of the shareholders and creditors, the Company filed a petition with Hon’ble NCLT, and the Composite Scheme was sanctioned vide its Order dated March 6, 2023.

The Board at its meeting held on March 13, 2023, noted the Hon’ble NCLTs Order and the first part of the Scheme was made effective on March 14, 2023. The Board also authorised the issuance of bonus NCRPS, by fixations of Record Date as March 24, 2023, for the purpose of determining the eligible shareholders of the Company, and the Company issued and allotted the bonus shares. An application for seeking listing and trading approvals for the above NCRPS was filed with the Stock Exchanges, and the trading approval was granted vide their letters dated June 15, 2023.

In terms of the Scheme, Part III of the Scheme provides for the amalgamation of TVS Holdings Private Limited (“Transferor Company 1”) with the Company, would be effective from the 1st (first) business day after the receipt of approval of the Stock Exchanges for the listing and trading of NCRPS as stated above i.e., “Appointed Date 2” / “Effective Date 2”, i.e., Friday, 16th June 2023. Therefore, the amalgamation of the Transferor Company 1 with the Company becomes effective from 16th June 2023.

The Scheme Implementation Committee of the Company in its meeting held on 16th June 2023, approved the allotment of 1,30,94,460 equity shares of INR 5 each fully paid up and 151,89,57,360 preference shares INR 10 each fully paid up of the Company to shareholders of the Transferor Company 1, pursuant to Clause 10.1 of the Scheme. The Company has received the requisite approval of BSE Limited and the National Stock Exchange of India Limited (collectively referred to as “Stock Exchanges”) on 27th July 2023 and 28th July 2023 for the listing and trading of equity shares and cumulative non-convertible redeemable preference shares (“NCRPS”) respectively, issued to the shareholders of Transferor Company 1, pursuant to Part III of the Scheme.

In terms of the Scheme, Part IV of the Scheme which provides for the amalgamation of VS Investments Private Limited (“Transferor Company 2”) with the Company, would be effective from the 5th (Fifth) business day after the receipt of approval of the Stock Exchanges for the listing and trading of equity shares and NCRPS as stated above i.e., Effective Date 3.

Thus, the amalgamation of Transferor Company 2 with the Company becomes effective on 4th August 2023 (“Effective Date 3”). Further, the consideration for the said amalgamation will be issued by the Company to the shareholders of the Transferor Company 2 in the form of equity shares in the proportion as stated in the Scheme, and accordingly, the stock exchanges vide their letter dated August 3, 2023 granted the listing and trading approval.

Further, in terms of the Scheme, Part V of the Scheme which provides for the demerger of the Demerged Undertaking (as defined in the Scheme) from TVS Holdings Limited (formerly Sundaram-Clayton Limited) into the Company (“Resulting Company”) will be effective from the 5th (fifth) business day after the Effective Date 3 i.e., Effective Date 4.

Thus, the demerger becomes effective on 11th August 2023 (“Effective Date 4”). Further, the consideration for the said demerger will be issued by the Resulting Company to the shareholders of the Company as on the Record Date 2 i.e., August 24, 2023 (as defined in the Scheme) in the form of equity shares and cumulative non-convertible redeemable preference shares (“NCRPS of the Resulting Company”), respectively, in the proportion as stated in the Scheme.

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**36 - Other Disclosures**

**(Rs In Crores)**

(xi) **Demerger of Manufacturing Business of Demerged Company into the Resulting Company.**

Demerger of Manufacturing Business of Demerged Company into the Resulting Company has been accounted under 'Pooling of Interests Method' in accordance with Appendix C of IND AS 103 (Business Combinations of entities under common control). Accordingly, financial statements has been restated from March 31, 2021 to June 30, 2023

<b>Particulars</b>	<b>30th June 2023</b>	<b>31st March 2023</b>	<b>31st March 2022</b>	<b>31st March 2021</b>
Financial Asset	433.55	384.80	420.32	279.51
Non Financial Asset	2,049.76	2,026.98	1,905.02	1,823.22
<b>A. Total Assets</b>	<b>2,483.31</b>	<b>2,411.78</b>	<b>2,325.34</b>	<b>2,102.73</b>
Financial Liability	1,664.96	1,569.90	1,397.93	1,270.35
Non Financial Liability	80.42	67.78	78.72	76.70
<b>B. Total Liabilities</b>	<b>1,745.38</b>	<b>1,637.68</b>	<b>1,476.65</b>	<b>1,347.04</b>
<b>C. Non Controlling Interest</b>	-	-	291.31	325.72
<b>D. Net Assets attributable to owners (A-B-C)</b>	<b>737.93</b>	<b>774.10</b>	<b>557.38</b>	<b>429.97</b>
E. New Equity Shares of Resulting Company	10.12	10.12	10.12	10.12
F. 0.1% Cumulative Non Convertible Redeemable Preference Shares	0.87	0.87	0.87	0.87
G. Other Reserves transferred under the Scheme including current year result	325.31	367.49	450.87	417.15
H. Opening Balance of composite scheme of arrangement	395.62	95.52	1.83	-
<b>I. Capital reserve due to the composite scheme of arrangement (D-E-F-G-H)</b>	<b>6.01</b>	<b>300.10</b>	<b>93.69</b>	<b>1.83</b>

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**37 - Related party disclosure**  
**LIST OF RELATED PARTIES**

- a) Reporting entity:** (i) Sundaram-Clayton Limited, Chennai
- b) Controlling Entity** (i) Mr Venu Srinivasan, representing VS Trust [w.e.f 16.06.2023]  
(ii) TVS Holdings Private Limited [upto 15.06.2023]  
(iii) T V Sundram Iyengar & Sons Private Limited [upto 04.02.2022]
- c) Subsidiaries\*:** (i) Sundaram-Clayton (USA) Limited, USA  
(ii) Sundaram Holding USA Inc, Delaware, USA  
(iii) Sundaram-Clayton GmbH, Germany [ w.e.f. 08.02.2023]

**Subsidiary companies of Sundaram Holding USA Inc, Delaware, USA**

- (i) Green Hills Land Holding LLC, USA  
(ii) Component Equipment Leasing LLC, USA  
(iii) Sundaram-Clayton USA LLC, USA  
(iv) Premier Land Holding LLC, USA
- d) Associate\*:** (i) Sundram Non-Conventional Energy Systems Limited, Chennai
- e) Enterprises in which directors are interested** (i) Dua Associates, Delhi [ w.e.f. 13.03.2023]
- f) 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
- g) Key management personnel (KMP)**

**Executive Directors:**

- (i) Mr . Venu Srinivasan, CE & MD [w.e.f. 07.09.2022]  
(ii) Dr . Lakshmi Venu, Managing Director [w.e.f. 07.09.2022]  
(iii) Mr Vivek Joshi- Director & CEO [w.e.f. 07.09.2022]

**Non Executive Directors :**

**Independent Directors:**

- (i) Ms.Sasikala Varadachari [w.e.f. 07.09.2022]  
(ii) Mr.C R Dua [w.e.f. 13.03.2023]  
(iii) Mr. R Gopalan [w.e.f. 07.09.2022]

**Non Independent Directors :**

- (i) Mr. Rajesh Narasimhan [w.e.f. 07.09.2022]  
(ii) N Srinivasa Ramanujam [upto 07.09.2022]  
(iii) V Gopalakrishnan [upto 07.09.2022]  
(iv) R Rajaprakash [upto 07.09.2022]

- h) Post employment benefit plans** (i) Sundaram- Clayton Limited Employees Provident Fund, Chennai  
(ii) Sundaram- Clayton Limited Employees Gratuity Fund , Chennai

\* Pursuant to the Demerger, Demerged Undertaking of the Company ("DCD Business") under the Scheme were transferred to the Company, upon effectiveness of Part V of the Scheme on 11th August 2023. Accordingly the above companies are subsidiaries and associate of the Company from that date. However, for the purpose of the preparation of the re-stated financial statements, the said subsidiaries and associate are considered for Consolidation with effect from 1st April 2020.

**SUNDARAM-CLAYTON LIMITED**
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.06.2023**
**37 - Related party transactions**
**(Rs In Crores)**

SI No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP-Significant Influence	KMP	Other related party	Total
1	Purchase of goods	TVS Motor Company Limited, Chennai	-	-	-	-	3.63	3.63
			-	-	-	-	3.63	3.63
			-	-	-	-	(20.28)	(20.28)
2	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai	-	-	-	-	89.26	89.26
			(0.00)	-	-	-	89.26	89.26
			-	-	-	-	(436.47)	(436.47)
3	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	0.05	-	-	-	0.05
			-	0.05	-	-	-	0.05
			-	(0.74)	-	-	-	(0.74)
4	Rendering of services	Emerald Haven Realty Limited, Chennai Sundaram Auto Components Limited, Chennai TVS Credit Services Limited, Chennai	-	-	-	-	0.12	0.12
			-	-	-	-	0.15	0.15
			-	-	-	-	0.12	0.12
			-	-	-	-	0.39	0.39
			-	-	-	-	(3.00)	(3.00)
5	Receiving of services	Sundaram Auto Components Limited, Chennai TVS Motor Company Limited, Chennai	-	-	-	-	1.63	1.63
			-	-	-	-	2.01	2.01
			-	-	-	-	3.64	3.64
			-	-	-	-	(8.87)	(8.87)
6	Lease rent received	Sundram Non Conventional Energy Systems Limited, Chennai - Rs.40,000 (Associates)	-	-	-	-	-	-
			-	-	-	-	-	-



**SUNDARAM-CLAYTON LIMITED**
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.06.2023**
**37 - Related party transactions**
**(Rs In Crores)**

7	Remuneration paid	Key Management Personnel	-	-	-	9.31	-	9.31
			-	-	-	9.31	-	9.31
						(14.82)		(14.82)
8	Investments	Sundaram Holding USA Inc, Delaware, USA	82.03	-	-	-	-	82.03
		Sundaram-Clayton Gmbh, Germany	4.66	-	-	-	-	4.66
			86.69	-	-	-	-	86.69
			(351.52)					(351.52)
9	Contribution to post employment benefit plan	Sundaram- Clayton Limited Employees Provident Fund, Chennai	-	-	-	-	3.68	3.68
		Sundaram- Clayton Limited Employees Gratuity Fund , Chennai	-	-	-	-	5.11	5.11
			-	-	-	-	8.79	8.79
			-	-	-	-	(17.24)	(17.24)
10	Outstanding as on 30th June 2023 Receivables	TVS Motor Company Limited, Chennai	-	-	-	-	4.00	4.00
		Sundaram Auto Components Limited, Chennai	-	-	-	-	0.62	0.62
		TVS Credit Services Ltd, Chennai	-	-	-	-	0.20	0.20
			-	-	-	-	4.82	4.82
			-	-	-	-	(12.21)	(12.21)
11	Outstanding as on 30th June 2023 Payables	TVS Motor Company Limited, Chennai	-	-	-	-	3.07	3.07
		Sundaram Auto Components Limited, Chennai	-	-	-	-	4.04	4.04
		TVS Credit Services Ltd, Chennai (Rs -9117)	-	-	-	-	-	-
		Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.36	-	-	-	0.36
			-	0.36	-	-	7.11	7.47
			(0.10)	-	-	(7.00)	(7.10)	

Previous year's figures are furnished in brackets

**SUNDARAM-CLAYTON LIMITED**
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023**
**37 - Related party transactions**
**(Rs In Crores)**

Sl No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP	Other related party	Total
1	Purchase of goods	TVS Motor Company Limited, Chennai		-	-	20.28	20.28
			-	-	-	20.28	20.28
			-	-	-	-	-
2	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai		-	-	436.47	436.47
			(0.00)	-	-	436.47	436.47
			-	-	-	(404.09)	(404.09)
3	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	0.74	-	-	0.74
			-	0.74	-	-	0.74
			-	(0.65)	-	-	(0.65)
4	Rendering of services	Emerald Haven Realty Limited, Chennai Sundaram Auto Components Limited, Chennai TVS Credit Services Limited, Chennai				0.66	0.66
				-	-	1.72	1.72
				-	-	0.62	0.62
			-	-	-	3.00	3.00
			-	-	-	(3.06)	(3.06)
5	Receiving of services	Sundaram Auto Components Limited, Chennai TVS Motor Company Limited, Chennai		-	-	6.87	6.87
			-	-	-	2.01	2.01
			-	-	-	8.87	8.87
			-	-	-	(8.91)	(8.91)
6	Lease rent received	Sundram Non Conventional Energy Systems Limited, Chennai - Rs.40,000 (Associates)	-	-	-	-	-
			-	-	-	-	-

Previous year's figures are furnished in brackets

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023**

**37 - Related party transactions (continued)** **(Rs In Crores)**

SI No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP	Other related party	Total
7	Remuneration paid	Key Management Personnel	-	-	14.82	-	14.82
			-	-	14.82 (11.05)	-	14.82 (11.05)
8	Investments	Sundaram Holding USA Inc, Delaware, USA	34.28	-	-	-	34.28
		Sundaram Auto Components Limited (Acquisition of Sundaram Holding US Inc.,)	317.01	-	-	-	317.01
		Sundaram-Clayton GmbH, Germany	0.23	-	-	-	0.23
			351.52 (178.81)	-	-	-	351.52 (178.81)
9	Contribution to post employment benefit plan	Sundaram- Clayton Limited Employees Provident Fund, Chennai	-	-	-	12.18	12.18
		Sundaram- Clayton Limited Employees Gratuity Fund , Chennai	-	-	-	5.06	5.06
			-	-	-	17.24 (12.37)	17.24 (12.37)
10	Dividend received	Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.88	-	-	0.88
			-	0.88	-	-	0.88
			-	(0.35)	-	-	(0.35)
12	Outstanding as on 31st March 2023 Receivables	TVS Motor Company Limited, Chennai	-	-	-	10.25	10.25
		Sundaram Auto Components Limited, Chennai	-	-	-	1.82	1.82
		TVS Credit Services Ltd, Chennai	-	-	-	0.09	0.09
		Emerald Haven Realty Limited, Chennai	-	-	-	0.04	0.04
			-	-	-	12.21 (26.95)	12.20 (26.95)
13	Outstanding as on 31st March 2023 Payables	TVS Motor Company Limited, Chennai	-	-	-	3.45	3.45
		Sundaram Auto Components Limited, Chennai	-	-	-	3.57	3.57
		TVS Credit Services Ltd, Chennai (Rs -9117)	-	-	-	(0.00)	(0.00)
		Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.05	-	-	0.05
			-	0.10	-	7.00 (0.62)	7.10 (0.62)

Previous year's figures are furnished in brackets

**Sundaram Clayton Limited**  
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**Related party transactions** (Rs in Crores)

SI No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP	Other related party	Total
1	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai	-	-	-	404.09	404.09
			(0.00)	-	-	404.09	404.09
			-	-	-	(248.73)	(248.73)
2	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	0.65	-	-	0.65
			-	(0.66)	-	-	(0.66)
3	Rendering of services	TVS Motor Company Limited, Chennai	-	-	-	-	-
		Sundaram Auto Components Limited, Chennai	-	-	-	1.66	1.66
		TVS Credit Services Limited, Chennai	-	-	-	0.91	0.91
		Emerald Haven Realty Limited, Chennai	-	-	-	0.49	0.49
			-	-	-	3.06	3.06
			-	-	-	(2.75)	(2.75)
4	Receiving of services	Sundaram Auto Components Limited, Chennai		-	-	6.09	6.09
		TVS Motor Company Limited, Chennai		-	-	2.82	2.82
			-	-	-	8.91	8.91
			-	-	-	(6.76)	(6.76)
5	Lease rent received	Sundram Non Conventional Energy Systems Limited, Chennai - Rs.48,000	-	-	-	-	-
		(Associates)	-	-	-	-	-
			-	-	-	-	-
6	Remuneration paid	Key Management Personnel	-	-	11.05	-	11.05
			-	-	(8.24)	-	(8.24)

**Sundaram Clayton Limited**  
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2022**  
**Related party transactions** (Rs in Crores)

SI No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP	Other related party	Total
7	Investments	Sundaram Holding USA Inc., USA	178.81	-	-	-	178.81
			178.81 (54.51)	-	-	-	178.81 (54.51)
8	Contribution to post employment benefit plan	Sundaram- Clayton Limited Employees Provident Fund, Chennai Sundaram- Clayton Limited Employees Gratuity Fund , Chennai	-	-	-	12.37	12.37
			-	-	-	-	-
			-	-	-	12.37 (14.20)	12.37 (14.20)
9	Dividend received	Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.35	-	-	0.35
			-	0.35	-	-	0.35
			-	(0.35)	-	-	(0.35)
10	Outstanding as on 31st March 2022 Receivables	TVS Motor Company Limited, Chennai Sundaram Auto Components Limited, Chennai TVS Credit Services Ltd, Chennai Emerald Haven Realty Limited, Chennai	-	-	-	25.56	25.56
			-	-	-	1.16	1.16
			-	-	-	0.11	0.11
			-	-	-	0.12	0.12
			-	-	-	26.95	26.95
-	-	-	(51.56)	(51.56)			
11	Outstanding as on 31st March 2022 payables	TVS Motor Company Limited, Chennai Sundaram Auto Components Limited, Chennai	-	-	-	0.01	0.01
			-	-	-	0.61	0.61
			-	-	-	0.62 (0.78)	0.62 (0.78)

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2021**  
**Related party transactions**

(Rs in crores)

SI No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP	Other related party	Total
1	Sale of goods (including sub contract charges)	TVS Motor Company Limited, Chennai		-	-	248.73	248.73
			(0.00)	-	-	248.73	248.73
2	Purchase of power	Sundram Non Conventional Energy Systems Limited, Chennai	-	0.66	-	-	0.66
			-	(0.68)	-	-	(0.68)
3	Rendering of services	TVS Motor Company Limited, Chennai		-	-	0.56	0.56
		Sundaram Auto Components Limited, Chennai		-	-	1.81	1.81
		Emerald Haven Realty Limited, Chennai		-	-	0.26	0.26
		TVS Credit Services Limited, Chennai		-	-	0.12	0.12
			-	-	-	2.75	2.75
			-	-	-	-	-
4	Receiving of services	Sundaram Auto Components Limited, Chennai		-	-	5.15	5.15
		TVS Motor Company Limited, Chennai		-	-	1.61	1.61
			-	-	-	6.76	6.76
			-	-	-	-	
5	Lease rent received	Sundram Non Conventional Energy Systems Limited, Chennai - Rs.48,000 (Associates)	-	-	-	-	-
			(0.02)	-	-	-	(0.02)
6	Remuneration paid	Key Management Personnel	-	-	8.24	-	8.24
			-	-	(3.99)	-	(3.99)
7	Investments	Sundaram Holding USA Inc., USA	54.51	-	-	-	54.51
			(14.35)	-	-	-	(14.35)

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO RESTATED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2021**  
**Related party transactions**

(Rs in crores)

SI No	Nature of transactions	Name of the company	Subsidiaries	Associates	KMP	Other related party	Total
8	Contribution to post employment	Sundaram- Clayton Limited Employees Provident Fund, Chennai	-	-	-	10.02	10.02
		Sundaram- Clayton Limited Employees Gratuity Fund , Chennai	-	-	-	4.18	4.18
			-	-	-	14.20	14.20
			-	-	-	(16.12)	(16.12)
9	Dividend received	Sundram Non-Conventional Energy Systems Limited, Chennai	-	0.35	-	-	0.35
			-	0.35	-	-	0.35
			-	(0.35)	-	-	(0.35)
10	Outstanding as on 31st March 2021 Receivables	TVS Motor Company Limited, Chennai		-	-	50.85	50.85
		Emerald Haven Realty Limited		-	-	0.17	0.17
		Sundaram Auto Components Limited, Chennai		-	-	0.52	0.52
		TVS Credit Services Ltd, Chennai		-	-	0.02	0.02
			-	-	-	51.56	51.56
12	Outstanding as on 31st March 2021 Payables	TVS Motor Company Limited, Chennai		-	-	0.01	0.01
		Sundaram Auto Components Limited, Chennai		-	-	0.77	0.77
			-	-	-	0.78	0.78
			-	-	-	(0.32)	(0.32)

**SUNDARAM-CLAYTON LIMITED**

**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

(Rs In Crores)

38 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF SEBI (LODR) REGULATIONS, 2015						
	Particulars	Name of the company	Amount outstanding as on 30-06-2023	Amount outstanding as on 31-03-2023	Amount outstanding as on 31-03-2022	Amount outstanding as on 31-03-2021
a)	Loans and advances					
(i)	Loans and advances in the nature of loans made to subsidiary company	NIL	-	-	-	-
(ii)	Loans and advances in the nature of loans made to associate company	NIL	-	-	-	-
(iii)	Loans and advances in the nature of loans where there is	NIL	-	-	-	-
1)	no repayment schedule or repayment beyond seven years (or)	NIL	-	-	-	-
2)	no interest or interest below section 186 of the Companies Act, 2013	NIL	-	-	-	-
(iv)	Loans and advances in the nature of loans made to firms/companies in which directors of the company are interested	NIL	-	-	-	-
b)	Investments by the company					
(i)	In subsidiary companies	NIL	-	-	-	-
(ii)	In associate companies	Sundram Non-conventional Energy Systems Limited, Chennai (1,17,650 Equity shares of Rs 10/- each fully paid-up)	0.12	0.12	0.12	0.12
		Maximum amount held at any time				
		During the period		0.12		
		During the previous year		0.12		



**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**39 - Key Financial Ratios :**

S.No	Details	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21	Variance (%) (June on Mar'23)	Variance (%) (2023 on 22)	Variance (%) (2022-21)
1	Current Ratio (Times) (Current Assets/ Current liabilities - Excluding NCRPS)	0.90	1.02	1.02	0.85	-11.71%	0.71%	20.27%
2	Net Debt / Equity Ratio (Times) [ Total borrowings (Excluding NCRPS) - Cash and cash equivalents excluding term deposits) / Equity (including profit from exceptional item ]**	1.60	1.40	1.12	1.19	14.78%	-24.28%	-5.31%
3	Debt Service Coverage Ratio (Times) (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)*	0.07	0.25	0.76	0.24	-71.98%	-67.61%	211.57%
4	Return on Equity (%) (Net Profit after Tax / Average equity excluding exceptional item)*	(4.36)	(11.72)	(0.37)	(4.57)	-62.78%	3095.55%	-91.97%
5	Inventory Turnover Ratio (Times) (Annualised Cost of Goods Sold / Average Inventory)*	2.75	2.80	2.49	1.90	-1.86%	12.67%	31.07%
6	Debtors Turnover Ratio (Times) (Annualised turnover/ Average Debtors)	7.95	7.91	6.92	6.09	0.48%	14.27%	13.70%
7	Trade Payables Turnover Ratio (Times) [(Purchases & Other Expenses) / Average Trade Payables]	1.05	4.35	4.33	3.66	-75.97%	0.40%	18.22%
8	Net Capital Turnover Ratio (Times) [Net Sales/ (Current Assets (-) Current Liabilities excluding current maturities of long term debt) ]*	16.19	19.78	9.35	15.25	-18.15%	111.68%	-38.71%
9	Net Profit Ratio (%) (Profit after tax / Turnover)	(6.18)	(4.42)	(0.18)	(3.06)	39.78%	2303.03%	-93.99%
10	Return on Capital Employed (%) [ Earnings before interest , tax , depreciation , other income and exceptional items / (Average Capital employed )	1.50	6.80	10.97	8.19	-77.94%	-38.06%	34.01%
11	Return on Investment (%) [Income generated from invested funds / Average invested funds]#	NA	NA	NA	NA	NA	NA	NA

#Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

\*Reflects better operational performance

\*\*Due to captialisation of reserves for issue of bonus preference shares

<b>SUNDARAM-CLAYTON LIMITED</b>				
<b>NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS</b>				
<b>40 Segment revenues, results and other information</b>				<b>(Rs.in Crores)</b>
<b>Information about primary business segments</b>				
<b>Particulars</b>	<b>Business segments</b>			
	<b>Automotive components</b>			
	<b>Q1 FY 24</b>	<b>2022-23</b>	<b>2021-22</b>	<b>2020-21</b>
External sales - domestic	268.85	1,133.98	912.32	622.25
- exports	252.20	918.80	780.10	505.70
Inter segment sales	26.24	68.10	46.04	1.66
<b>Total sales</b>	<b>547.29</b>	<b>2,120.88</b>	<b>1,738.46</b>	<b>1,129.61</b>
Less: Inter segment sales	26.24	68.10	46.04	1.66
<b>Net Revenue (excluding other operating revenue)</b>	<b>521.05</b>	<b>2,052.78</b>	<b>1,692.42</b>	<b>1,127.95</b>
Segment results before interest and tax	-11.84	-26.38	48.93	58.52
Add: Share of Associate profit	0.16	-0.03	0.12	0.02
Less: Interest	21.27	60.05	46.39	47.47
Profit before tax	-32.95	-86.46	2.66	11.07
Taxes	2.57	21.38	19.25	58.60
<b>Profit after tax</b>	<b>-35.52</b>	<b>-107.84</b>	<b>-16.59</b>	<b>-47.53</b>
Segment Assets	2,483.31	2,411.78	2,325.34	2,102.73
Segment Liabilities	1,745.38	1,637.68	1,476.65	1,347.04
Segment Depreciation	37.11	143.88	130.72	79.67

**Notes :**  
**Previous year's figures have been regrouped wherever necessary to conform to this year's classification.**

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**41 REVENUE FROM CONTRACT WITH CUSTOMERS**

(Rs in Crores)

**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 :

SI.No	Particulars	For the period ended 30-06-2023	For the year ended 31-03-2023	For the year ended 31-03-2022	For the year ended 31-03-2021
A.	Type of goods or service				
1.	Automotive components	521.05	2,052.78	1,692.42	1,127.95
		521.05	2,052.78	1,692.42	1,127.95
B.	Geographical markets				
1.	Domestic	268.85	1,133.98	912.32	622.25
2.	Exports	252.20	918.80	780.10	505.70
		521.05	2,052.78	1,692.42	1,127.95

**B** The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 40

**C Reconciliation of contracts with customers**

Movement of contract liabilities for the reporting period given below:

Particulars	For the period ended 30-06-2023	For the year ended 31-03-2023	For the year ended 31-03-2022	For the year ended 31-03-2021
Contract Liabilities at the beginning of the period	17.80	18.56	19.39	19.67
Add / (Less) :				
Consideration received during the year as advance	27.78	17.80	18.56	19.39
Revenue recognized from contract liability	(17.80)	(18.56)	(19.39)	(19.67)
Contract Liabilities at the end of the period	27.78	17.80	18.56	19.39

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 revenue with contract price**

Sl. No.	Particulars	For the period ended 30-06-2023	For the year ended 31-03-2023	For the year ended 31-03-2022	For the year ended 31-03-2021
(i)	Contract price	1,385.83	2,713.38	2,353.02	1,788.55
(ii)	Adjustments :				
	Incentive schemes	450.97	335.25	335.25	335.25
	Transport cost	413.81	325.35	325.35	325.35
(iii)	Revenue from sale of products and services	521.05	2,052.78	1,692.42	1,127.95

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**Note 42: Interests in other entities**

**(Rs.in Crores)**

(a) Subsidiaries

The Group's subsidiaries 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
		30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21	
Sundaram-Clayton (USA) Limited, USA	USA	100.00%	100.00%	100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	Automotive components
Sundaram Holding USA Inc., Delaware,USA	USA	100.00%	100.00%	49.65%	32.28%	0.00%	0.00%	50.35%	67.72%	
Green Hills Land Holding LLC, USA	USA	100.00%	100.00%	49.65%	32.28%	0.00%	0.00%	50.35%	67.72%	
Component Equipment Leasing LLC, USA	USA	100.00%	100.00%	49.65%	32.28%	0.00%	0.00%	50.35%	67.72%	
Sundaram-Clayton USA LLC, USA	USA	100.00%	100.00%	49.65%	32.28%	0.00%	0.00%	50.35%	67.72%	
Premier Land Holding LLC, USA	USA	100.00%	100.00%	49.65%	32.28%	0.00%	0.00%	50.35%	67.72%	
Sundaram - Clayton GmbH, Germany	Germany	100%	100%	NA	NA	0%	NA	NA	NA	

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**  
**Note 42: Interests in other entities (contd)**

(Rs.in Crores)

**(b) Non-Controlling Interest**

Set out below is summarised financial information for each subsidiary that has non controlling interest that are material to the Group. The amount disclosed for each subsidiary are before inter company eliminations.

Summarised balance sheet	Sundaram Holding USA Inc.,			
	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Current assets	132.70	111.97	88.33	21.11
Current liabilities	164.85	107.13	115.24	70.27
Net current assets / (liabilities)	(32.15)	4.84	(26.91)	(49.16)
Non-current assets	880.81	879.11	800.21	761.60
Non-current liabilities	330.21	384.48	173.62	227.67
Net non-current assets	550.60	494.63	626.59	533.93
Net assets	518.45	499.47	599.68	484.77
Accumulated NCI	-	-	301.94	328.29

Summarised Statement of profit and loss	Sundaram Holding USA Inc.,			
	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Revenue	26.14	112.81	52.73	3.43
Profit for the year	(57.85)	(182.35)	(83.04)	(4.05)
Other comprehensive income	(5.20)	47.86	19.12	(15.76)
Total comprehensive income	(63.05)	(134.49)	(63.92)	(19.81)
Profit allocated to NCI	-	-	(32.18)	(13.42)
Dividends paid to NCI	-	-	-	-

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**Note 42: Interests in other entities (contd)**

**(Rs.in Crores)**

Summarised Cash Flow Statement	Sundaram Holding USA Inc.,			
	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Cash flow from operating activities	(54.39)	(154.18)	(83.00)	(41.42)
Cash flow from investing activities	82.70	(58.80)	(19.00)	(9.58)
Cash flow from financing activities	(7.99)	192.29	123.52	49.66
Net increase/ (decrease) in cash and cash equivalents	20.32	(20.70)	21.52	(1.34)

**(c) Interests in associates and joint ventures**

**(i) Individually immaterial associates**

The group has interests in 1 individually immaterial associates that is accounted using equity method.

Particulars	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Aggregate carrying amount of individually immaterial associates	1.10	0.95	0.98	0.86

Particulars	30-Jun-23	31-Mar-23	31-Mar-22	31-Mar-21
Share of profits from associates	0.16	(0.03)	0.12	0.02
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	0.16	(0.03)	0.12	0.02

**SUNDARAM-CLAYTON LIMITED**
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**
**43 Additional Information on net assets and share of profits for the quarter ended 30th June 23**

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
<b>Parent</b>								
Sundaram-Clayton Limited, Chennai	100.04%	738.24	-65.05%	23.11	19.63%	(1.27)	-52.01%	21.84
<b>Subsidiaries - Foreign</b>								
Sundaram-Clayton (USA) Limited, Illinois	0.00%	0.00	0.06%	(0.02)	0.00%	-	0.05%	(0.02)
Sundaram Holding USA Inc., Delaware, USA	70.26%	518.45	162.85%	(57.85)	80.37%	(5.20)	150.14%	(63.05)
Sundaram - Clayton GmbH, Germany	0.48%	3.55	1.63%	(0.58)	0.00%	-	1.38%	(0.58)
Sub-total		1,260.24		(35.34)		(6.47)		(41.81)
Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total		1,260.24		(35.34)		(6.47)		(41.81)
<b>Add:</b>								
<b>Associates</b> (Investment as per the equity method)								
Sundram Non-Conventional Energy Systems Limited , Chennai	0.15%	1.11	-0.44%	0.16	0.00%	-	-0.37%	0.16
Sub-total	170.93%	1,261.35	99.04%	(35.18)	100.00%	(6.47)	99.19%	(41.65)
<b>Less:</b> Effect of intercompany eliminations	70.93%	523.42	-0.96%	0.34	0.00%	-	-0.81%	0.34
<b>Total - Attributable to owners</b>	<b>100%</b>	<b>737.93</b>	<b>100%</b>	<b>(35.52)</b>	<b>100%</b>	<b>(6.47)</b>	<b>100%</b>	<b>(41.99)</b>

**SUNDARAM-CLAYTON LIMITED**
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**
**Additional Information on net assets and share of profits for the year ended 31st March 23**

Name of the entity	Net Assets		Share in profit or (loss)		Share in other comprehensive		Share in total comprehensive	
	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
<b>Parent</b>								
Sundaram-Clayton Limited, Chennai	130.00%	959.33	-70.45%	75.97	-35.39%	2.29	-186.36%	78.26
<b>Subsidiaries - Foreign</b>								
Sundaram-Clayton (USA) Limited, Illinois	0.00%	0.03	-0.01%	0.00	0.00%		0.00%	0.00
Sundaram Holding USA Inc., Delaware, USA	67.69%	499.47	513.31%	(182.35)	-739.72%	47.86	320.26%	(134.49)
Sundaram - Clayton GmbH, Germany	-0.04%	(0.32)	1.54%	(0.55)	0.00%	-	1.31%	(0.55)
Sub-total		1,458.51		(106.93)		50.15		(56.78)
Non Controlling Interest in all subsidiaries	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total		1,458.51		(106.93)		50.15		(56.78)
<b>Add:</b>								
<b>Associates</b> (Investment as per the equity method)								
Sundram Non-Conventional Energy Systems Limited , Chennai	0.13%	0.95	0.10%	(0.03)	0.00%	-	0.08%	(0.03)
Sub-total	197.78%	1,459.46	301.09%	(106.96)	-775.12%	50.15	135.29%	(56.81)
<b>Less:</b> Effect of intercompany eliminations	92.88%	685.36	-2.48%	0.88	0.00%	0.00	-2.08%	0.88
<b>Total - Attributable to owners</b>	<b>105%</b>	<b>774.10</b>	<b>304%</b>	<b>(107.84)</b>	<b>-775%</b>	<b>50.15</b>	<b>137%</b>	<b>(57.69)</b>



**SUNDARAM-CLAYTON LIMITED**
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**
**Additional Information on net assets and share of profits for the year ended 31st March 22**

Name of the entity	Net Assets		Share in profit or (loss)		Share in other comprehensive		Share in total comprehensive	
	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
<b>Parent</b>								
Sundaram-Clayton Limited, Chennai	78.85%	581.84	265.21%	66.88	49.77%	(3.22)	-151.59%	63.66
<b>Subsidiaries - Foreign</b>								
Sundaram-Clayton (USA) Limited, Illinois	0.00%	0.02	-0.01%	0.00	0.00%		0.00%	0.00
Sundaram Holding USA Inc., Delaware, USA	81.27%	599.68	233.76%	(83.04)	-295.52%	19.12	152.21%	(63.92)
Sundaram - Clayton GmbH, Germany	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total		1,181.54		(16.16)		15.90		(0.26)
Non Controlling Interest in all subsidiaries	39.48%	291.30	117.70%	(41.81)	-148.79%	9.63	76.64%	(32.18)
Sub-total		890.24		25.65		6.27		31.92
<b>Add:</b>								
<b>Associates</b> (Investment as per the equity method)								
Sundram Non-Conventional Energy Systems Limited , Chennai	0.13%	0.98	-0.34%	0.12	0.00%	-	-0.29%	0.12
Sub-total	120.77%	891.22	-72.55%	25.77	-96.96%	6.27	-76.30%	32.04
<b>Less:</b> Effect of intercompany eliminations	45.24%	333.84	-1.55%	0.55	0.00%	-	-1.31%	0.55
<b>Total - Attributable to owners</b>	<b>76%</b>	<b>557.38</b>	<b>-71%</b>	<b>25.22</b>	<b>-97%</b>	<b>6.27</b>	<b>-75%</b>	<b>31.49</b>

**SUNDARAM-CLAYTON LIMITED**
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**
**Additional Information on net assets and share of profits for the year ended 31st March 21**

Name of the entity	Net Assets		Share in profit or (loss)		Share in other comprehensive		Share in total comprehensive	
	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
<b>Parent</b>								
Sundaram-Clayton Limited, Chennai	57.60%	425.04	96.33%	(43.15)	-53.79%	3.48	94.47%	(39.67)
<b>Subsidiaries - Foreign</b>								
Sundaram-Clayton (USA) Limited, Illinois	0.00%	0.02	-0.01%	0.00	0.00%		0.00%	0.00
Sundaram Holding USA Inc., Delaware, USA	65.69%	484.77	11.40%	(4.05)	243.59%	(15.76)	47.17%	(19.81)
Sundaram - Clayton GmbH, Germany	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub-total		909.83		(47.20)		(12.28)		(59.48)
Non Controlling Interest in all subsidiaries	44.14%	325.72	7.72%	(2.74)	164.96%	(10.67)	31.95%	(13.42)
Sub-total		584.11		(44.46)		(1.61)		(46.06)
<b>Add:</b>								
<b>Associates</b> (Investment as per the equity method)								
Sundram Non-Conventional Energy Systems Limited , Chennai	0.12%	0.86	-0.05%	0.02	0.00%	-	-0.05%	0.02
Sub-total	79.27%	584.97	125.09%	(44.44)	24.84%	(1.61)	109.64%	(46.04)
<b>Less:</b> Effect of intercompany eliminations	21.00%	155.00	-0.99%	0.35	0.00%	-	-0.85%	0.36
<b>Total - Attributable to owners</b>	<b>58%</b>	<b>429.97</b>	<b>126%</b>	<b>(44.79)</b>	<b>25%</b>	<b>(1.61)</b>	<b>110%</b>	<b>(46.40)</b>

**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

**SUNDARAM-CLAYTON LIMITED**  
**NOTES TO CONSOLIDATED RESTATED FINANCIAL STATEMENTS**

**44** - Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification.

R GOPALAN  
Chairman

VIVEK S JOSHI  
Director & CEO

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
Firm Regn. No.007761S

AJAY KUMAR  
Chief Financial Officer

P D DEV KISHAN  
Company Secretary

V SATHYANARAYANAN  
Partner  
Membership No.:027716

Date: 27<sup>th</sup> September 2023  
Place: Chennai

Date : 27<sup>th</sup> September 2023  
Place: Bengaluru

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2023, on the basis of our Restated Consolidated Financial Information. This table should be read in conjunction with sections "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations", on pages 111 and 215, respectively.

*(in ₹ crores, except ratios)*

Particulars	As at March 31, 2023 (Consolidated)
<b>Borrowings</b>	
Current borrowings (I)	197.41
Non-current borrowings (including current maturity of long term debt) (II)	884.43
<b>Total Borrowings (I) + (II) = (A)</b>	<b>1,081.84</b>
<b>Equity</b>	
Equity share capital	10.12
Share capital pending allotment	-
Instrument entirely equity in nature	-
Other equity	763.98
<b>Total Equity (B)</b>	<b>774.10</b>
<b>Capitalisation (A) + (B)</b>	<b>1855.94</b>
<b>Non-current borrowings (including current maturity of long term debt)/equity ratio (II/B)</b>	<b>1.14</b>
<b>Total borrowings/equity ratio (A/B)</b>	<b>1.40</b>

Notes:

- (1) Current borrowings includes Preference Shares allotted pursuant to the Composite Scheme of Arrangement.
- (2) Long term borrowings shall carry the meaning as per Schedule III of the Companies Act, 2013
- (3) Equity share capital represents the equity shares allotted pursuant to the Composite Scheme of Arrangement
- (4) Other equity has been computed as the aggregate value of all reserves created out of the profits, debit and credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, reserves created out of demerger.

## OTHER FINANCIAL INFORMATION

### *Accounting Ratios*

The details of accounting ratios derived from Restated Consolidated Financial Information required to be disclosed under the SEBI ICDR Regulations are set forth below:

*(in ₹ crores, except otherwise stated)*

Particulars	For the three months period ended June 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Basic Earnings / (loss) per equity share (in ₹)	(17.56)	(53.31)	(8.21)	(23.50)
Diluted Earnings / (loss) per equity share (in ₹)	(17.56)	(53.31)	(8.21)	(23.50)
Return on net worth (in %)	(4.81)	(13.93)	(1.96)	(6.29)
Net asset value per equity share (in ₹)	364.73	382.61	419.48	373.51
Weighted average number of equity shares outstanding during the period/ year	2,02,32,104	2,02,32,104	2,02,32,104	2,02,32,104
EBITDA (₹ in crores)	28.33	124.37	189.64	139.56

Notes:

- (1) *Net worth means the aggregate of paid-up equity share capital and other equity (all reserves created out of the profits and debit or credit balance of profit and loss account as per the Restated Consolidated Financial Information). Return on net worth is calculated as profit for the year divided by net worth.*
- (2) *Net asset value per Equity Share is calculated by dividing net worth by the number of equity shares outstanding at the end of the year used in the calculation of basic and diluted earnings per share.*
- (3) *EBITDA is calculated as the sum of (i) profit for the year, (ii) total tax expenses, (iii) depreciation and amortization expenses, and (iv) finance costs.*

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

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Consolidated Financial Information. Unless the context requires otherwise, the financial information in this Information Memorandum is derived from our audited consolidated summary statement of assets and liabilities as at June 30, 2023, March 31, 2023, March 31, 2022, and March 31, 2021 and the audited consolidated summary statement of profit and loss (including other comprehensive income), audited cash flow statement and changes in equity for the three months ended June 30, 2023, Fiscals 2023, 2022, and 2021 of our Company together with the summary statement of significant accounting policies, and other explanatory information thereon. For further details, please see "Financial Information".*

*A scheme of arrangement involving (I) TVS Holdings Limited (formerly known as Sundaram – Clayton Limited) (the "**Demerged Company**"), erstwhile TVS Holdings Private Limited and erstwhile VS Investments Private Limited and their respective shareholders and creditors and Sundaram-Clayton Limited (formerly known as Sundaram - Clayton DCD Limited) (the "**Resulting Company**") and its shareholders and creditors ("**Composite Scheme of Arrangement**"), in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 has been approved by the Hon'ble NCLT, Chennai on March 6, 2023. Inter alia, the Scheme provides, for demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company on a going concern basis and issue of Equity Shares and Preference Shares by the Resulting Company to the shareholders of the Demerged Company, in consideration thereof, in accordance with Section 2(19AA) of the Income Tax Act and reduction and cancellation of the entire pre Scheme share capital of the Resulting Company.*

*The discussion of our financial conditions in this section has been undertaken on a consolidated basis. The Company did not have any subsidiaries until August 11, 2023 but however, pursuant to the Composite Scheme of Arrangement coming into effect, our Company has 3 direct subsidiaries and 4 indirect subsidiaries as part of transfer and vesting of the Demerged Undertaking to the Resulting Company. And therefore, the financial statements prepared by our Company for the periods ended June 30, 2023, March 31 2023, March 31, 2022, March 31, 2021 were prepared on a consolidated basis.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, results of operations or financial condition.*

### OVERVIEW

Our Company is part of the TVS - Sundaram Clayton group and is an automotive component manufacturing company in India. Our automotive components business comprises a diverse product offering catering to the the automotive and non-automotive segments, both in India and globally. The Company is also engaged in business of precision aluminium cast products and production of high-pressure die-casting ("**HPDC**"), low-pressure die-casting ("**LPDC**") and gravity die-castings ("**GDC**") for two-wheelers, passenger vehicles, LCVs and HCVs. Our manufacturing facilities have equipment for production, testing and quality assurance to produce a wide variety of aluminium castings used in the various product segments. The Company's facilities can produce GDC ranging in weight from 250g to 24 kg, HPDC ranging in weight from 100g to 25 kg and LPDC ranging in weight from 2.5 kg to 18 kgs. This has been made possible with infrastructure that includes in-house alloying, 97 PDC machines (of locking force ranging from 250 tonnes to 3,200 tonnes), 72 GDC stations, 23 LPDC machines and 554 machining centres. The Company supplies a variety of machined castings to leading domestic and global vehicle OEMs and Tier 1 customers , who are leading manufacturers of engines, passenger vehicles (2W & 4W) and light and heavy vehicles. Our Company delivers automotive component products to customers in more than seven countries including the United States, Brazil, Sweden, Germany, France, UK and Japan amongst others. We have five manufacturing plants.

We recorded total revenue of ₹521.05 crores, ₹2,052.78 crore, ₹1,692.42 crore and ₹1,127.95 crores for the quarter ended June 30, 23 and Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively. We had recorded an EBITDA of ₹28.33 crore, ₹124.37 crore, ₹189.64 crore and ₹139.56 crore for the quarter ended June 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022 and March 31,

2021, respectively.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL RESULTS**

### ***Macroeconomic conditions and trends in the automotive industry***

As a company operating in India, south-east Asia, the USA and Europe, with customers worldwide, we are affected by the general macroeconomic conditions in a number of countries and, in particular, trends and conditions in the automotive industry. We believe that economic growth will propel demand for automotive components and automobiles in the future. However, a reduction in consumer spending in the developing countries, including India, could adversely impact our business and results of operations. See “*Industry Overview*” for a discussion on macroeconomic conditions in India and a more detailed description of the automobile and automotive component industries in the markets that we operate.

### ***Raw material costs***

We need substantial amounts of raw materials in our automotive components business. We purchase large volumes of aluminium for use in our die-casting process and steel sheets, coils, strips and bars for use in the motor vehicle segment. The prices of most of our raw materials including aluminium increased significantly for the Financial Year ended March 31, 2023 as compared to the Financial Year ended March 31, 2022 reflecting an increased demand domestically and globally.

### ***Implementation of our capital expansion program***

In order to remain competitive, we have to develop newer products in relation to our automotive component business so that we are able to cater to the renewed requirements of our OEM customers. Our OEM customers develop newer models of automobiles and upgrade their existing automobiles offering from time to time, and we have to modify/customize our products offering in order to supply as per the new product specifications set out by our OEM customers. Our capital expenditure is largely targeted at (i) customizing our manufacturing facilities so that we can tailor our products offering according to the requirements of our OEM customers, (ii) increasing our production efficiency and (iii) improving the quality and range of our products. Further, we develop newer models and upgrade our products from time to time to cater to the evolving requirements of automobile manufacturers in India and other international markets. Developing newer models or upgrading existing models of our products for the constantly evolving automobiles require extensive capital expenditure.

If these new models or upgrades of existing models, as the case may be, fail to make a mark in the automobile markets, we may lose all or part of our capital expenditure incurred in relation to developing these automobile components, as the case may be. Further, any failure to manage our capital expenditure program may result in costs that are greater than expected or result in significant delays. For further details, please see “*Risk Factors – Our Company has substantial capital expenditure and working capital requirements and may require additional financing to meet those requirements, which could have an adverse effect on our results of operations and financial condition*”.

### ***Purchasing patterns of our principal customers in relation to our automotive components business***

The purchasing patterns of our principal OEM customers have a significant impact on our results of operations. Our sales are particularly affected by the inventory and production levels of our principal OEM customers. We cannot predict when our OEM customers will decide to either build or reduce inventory levels or whether new inventory levels will approximate historical inventory levels. This may result in variability in our sales. Uncertainty regarding inventory levels may be increased by favourable consumer financing programs initiated by OEMs which may accelerate sales that otherwise would occur in future periods. We have historically experienced sales declines due to OEMs’ scheduled shutdowns or shutdowns resulting from unforeseen events. The effect of changes in purchasing patterns may be further heightened by the fact that we do not typically enter into firm commitment long-term agreements with our customers and instead rely on purchase orders to govern the volume and other terms of sale of our products. Any changes in purchasing patterns may require immediate changes in our own production processes.

We believe that our strong relationship with our principal OEM customers enables us to predict their purchasing pattern. Certain of our customers have approached us to assist them in the development of new products which ensures predictability and stability in our future orders. In addition, for certain of our principal customers, we

believe that we are responsible for producing the entire requirement of a particular product, which reduces the uncertainty in the purchasing patterns.

### ***Technological Advances and Competition***

The development of products in the automotive components industry is closely linked to technological advances. Our success will substantially depend on our ability to anticipate technological development trends and our ability to identify, develop and commercialise newer and more advanced technologies and products that our customers may demand in the future in a timely and cost-effective manner. We currently operate research and development centres to identify and meet new technological trends. We also intend to incur significant R&D expenditure in the current Fiscal with the objective of maintaining and improving the reliability of our products and automobile components manufactured by us.

### ***Our Current Funding and Availability of Cost Effective Funding***

We have relied on bank borrowings and cash generated from our operations to fund our working capital and capital expenditure requirements. As of March 31, 2023, on a consolidated basis, we had an aggregate outstanding indebtedness of ₹1,081.84 crore, under our financing agreements. Our finance cost/interest expense was ₹21.27 crore, ₹60.05 crore, ₹46.39 crore and ₹47.47 crore for the quarter ended June 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, respectively on a consolidated basis. Our debt service costs, as well as our overall cost of funding, depend on many external factors, including developments in the regional credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. We believe that the future availability of cost effective funding will be crucial and the non-availability of such funding at favourable terms or at all could affect our business, financial condition and results of operations.

## **RECENT DEVELOPMENTS**

Except as disclosed below, there are no significant events since our last balance sheet date, i.e., March 31, 2023.

Pursuant to Part V of the Composite Scheme of Arrangement and with effect from the Appointed Date 4 in accordance with the provisions of the Companies Act, 2013 the provisions of Section 2(19AA) of the Income Tax Act, the Demerged Undertaking along with all its assets, liabilities, contracts, loan, debentures, duties and arrangements, obligations and permits has been demerged from Demerged Company and transferred to and vested in Resulting Company as a going concern, so as to become the assets, liabilities, contracts, arrangements, loan, debentures and permits of our Company with effect from Appointed Date 4. In consideration of the demerger of the Demerged Undertaking into our Company pursuant to the provisions of the Composite Scheme of Arrangement, we have issued and allotted, on a proportionate basis to each shareholder of Demerged Company:

- a. One fully paid-up equity share of ₹5 (Rupees five) each, credited as fully paid-up, for every 1 (one) equity share of ₹5 (Rupees five) each of Demerged Company held by such shareholder and whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date 2; and
- b. One fully paid-up preference share of ₹10 (Rupees ten) each, credited as fully paid-up, for every 1000 (Thousand) preference shares of ₹10 (Rupees ten) each of Demerged Company held by such shareholder and whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date 2 (together, (“**Resulting Company New Shares**”)).

In view of the above, the Demerged Company has fixed August 24, 2023 as the Record Date 2 for the purpose of determining the eligible shareholders holding equity shares and preference shares of the Demerged Company entitled to receive the Resulting Company New Shares.

Further, the Scheme Implementation Committee of the Company at its meeting dated August 31, 2023 approved the allotment of 2,02,32,104 Equity Shares and 8,73,032 Preference Shares to the eligible shareholders of the Demerged Company.

## **SEGMENT INFORMATION**



Our financial results are prepared and presented with one business segment i.e automotive components. Our total revenue and results before interest and tax of automotive component segment is presented below for the periods indicated.

Period ended	Total Revenue		Result before interest and tax	
	Amount (in ₹)	Percentage (%)	Amount (in ₹)	Percentage (%)
June 30, 2023	521.05	100.00	(11.68)	100.00
March 31, 2023	2,052.78	100.00	(26.41)	100.00
March 31, 2022	1,692.42	100.00	49.05	100.00
March 31, 2021	1,127.95	100.00	58.54	100.00

## SIGNIFICANT ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the restated consolidated financial statements of Sundaram-Clayton Limited (*Formerly known as Sundaram - Clayton DCD Limited*) and its subsidiaries and associates.

### I. Brief description of the Company

Sundaram -Clayton Limited (“**the Company**”) is a public limited company incorporated in India having registered office 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 a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

### II. Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on February 09, 2022, had approved the Composite scheme of arrangement amongst Sundaram Clayton Limited (“**Transferee Company**” or “**Demerged Company**”), TVS Holdings Private Limited (“**Transferor Company 1**”), VS Investments Private Limited (“**Transferor Company 2**”) and Sundaram-Clayton Limited (*formerly known as Sundaram - Clayton DCD Limited*) (“**Resulting Company**”) and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged the following:

- i) issue of Preference Shares of SCL (as defined hereinafter) by way of bonus to the shareholders of SCL (as defined hereinafter) by utilising the general reserves/ retained earnings;
- ii) the amalgamation of the Transferor Company 1 (as defined hereinafter) with the Transferee Company (as defined hereinafter) and cancellation of the share capital of the Transferee Company held by the Transferor Company 1 and the consideration thereof;
- iii) the amalgamation of the Transferor Company 2 (as defined hereinafter) with the Transferee Company and cancellation of the share capital of the Transferee Company held by the Transferor Company 2 and the consideration thereof; and
- iv) the demerger, transfer and vesting of the Demerged Undertaking (as defined hereinafter) from the Demerged Company (as defined hereinafter) into the Resulting Company (as defined hereinafter) on a going concern basis, reduction and cancellation of the paid-up share capital of the Resulting Company held by the Demerged Company and the consequent issue of shares of the Resulting Company by the Resulting Company to the shareholders of the Demerged Company.

The Hon’ble NCLT, Chennai has approved the Scheme vide its order dated March 6, 2023 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the NCLT was received by the Company on March 6, 2023 and filed with the Registrar of Companies on March 14, 2023.

Accordingly, the Board of Directors of the respective companies at its meeting held on August 11, 2023 have decided to give effect to the ‘PART V’ of the scheme in the following manner based on the order of Hon’ble NCLT:

“PART V deals with the transfer and vesting of the Demerged Undertaking from the Demerged Company into the

Resulting Company, reduction and cancellation of the existing equity share capital of the Resulting Company held by the Demerged Company and the consideration thereof with effective from such Appointed date August 11, 2023”.

As per the Scheme, the Company will transfer assets and liabilities of TVS Holdings private Limited and VS investments to TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) at the respective book values from the appointed date. Also, Sundaram-Clayton Limited will transfer assets and liabilities of Manufacturing Business to the Sundaram-Clayton Limited (*formerly known as Sundaram - Clayton DCD Limited*) at their respective book values from the appointed date.

### **III. Basis of preparation of Restated Consolidated Financial Information**

As per the scheme of arrangement, Part V of the scheme was carried out with effect from August 11, 2023 (Demerger of SCL from TVSH Limited) was done and which in case has a requirement of providing the restated consolidated financial statements to IM and respective stakeholders.

- i) Audited consolidated financial statements of the Group as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and Limited Reviewed Results for the quarter ended 30th June 2023, which were prepared in accordance with the Indian Accounting Standard (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on May 5, 2023, May 6, 2022, April 28, 2021 and July 25, 2023, respectively.
- ii) Subsidiaries which are located outside India whose financial statements 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 financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments made by The Holding Company's Management.
- iii) Audited financial statements in respect of associates had been included in the Restated Consolidated Financial Information of the Group as at the year ended March 31, 2023, March 31, 2022 and March 31, 2021 and unaudited for the quarter ended June 30, 2023 have been included for consolidation.

The Restated Consolidated Financial Information as approved by the Board of the Directors at their meeting held on August 11, 2023 has been prepared for inclusion in this Information Memorandum (‘IM’) prepared by the company in connection with the proposed listing of its equity shares (‘Proposed Listing’) prepared in accordance with the checklist provided by Bombay Stock Exchange (‘BSE’) and National Stock Exchange (‘NSE’) for in-principle approval in relation to any scheme of arrangement states that the IM should contain the information about the Company and its group companies in line with the disclosure requirement applicable for public issue. Further as per SEBI Master Circular dated Jun 20, 2023 on Scheme of Arrangement by Listed entities also states about the requirements to be given in an advertisement before commencement of trading that it should contain Restated Audited Financials for the previous three Financial Years and stub period prior to the date of listing. Hence for the purpose of disclosure in the IM, IM should contain restated consolidated financial information, in line with disclosure requirements for public issues. The disclosure requirements applicable for public issues form part of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (‘SEBI ICDR Regulations’) and accordingly, all disclosure requirements mentioned therein in relation to public issues would be applicable to the information memorandum. Further, Clause (11) of the SEBI ICDR Regulations provides for ‘Financial Statements’ required to be disclosed in the offer document.

These Restated Consolidated Financial Information have been prepared on a historical cost basis, except for certain financial instruments such as derivative financial instruments and other financial instruments held for trading, which have been measured at fair value and assets classified as held for sale, which have been measured at lower of carrying value and fair value less cost to sell.

The Restated Consolidated Financial Information are presented in Indian Rupees (INR) and all values are rounded to the nearest crore, except when otherwise indicated.

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.

Restated Consolidated Financial Information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a subsidiary/associate of the Group uses accounting policies other than those adopted in the restated consolidated financial information for like transactions and events in similar circumstances, appropriate adjustments are made to that Group subsidiary's/associate's financial statements in preparing the restated consolidated financial information to ensure conformity with the Group's accounting policies.

However, no subsidiaries and associates have followed different accounting policies than those followed by the Group for the preparation of these restated consolidated financial information. The restated financial information of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group.

The Restated Consolidated Financial Information of all subsidiaries incorporated outside India are converted on the following basis: (a) Income and expenses are converted at the average rate of exchange applicable for the period/year and (b) All assets and liabilities are translated at the closing rate as on the Balance Sheet date. The exchange difference arising out of period/year end translation is debited or credited as "Foreign Exchange Translation Reserve" forming part of Other Comprehensive Income and accumulated as a separate component of other equity.

#### **IV. Presentation of Restated Consolidated Financial Information**

The Group presents its Statement of Assets and Liabilities in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (noncurrent) is presented. Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in the normal course of business.

#### **V. Consolidation procedure:**

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated Consolidated Financial Information at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- b) Derecognises the carrying amount of any non-controlling interests
- c) Derecognises the cumulative translation differences recorded in equity
- d) Recognises the fair value of the consideration received
- e) Recognises the fair value of any investment retained
- f) Recognises any surplus or deficit in profit or loss
- g) Recognises that distribution of shares of subsidiary to Group in Group's capacity as owners
- h) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

## **VI. Principles of Consolidation**

### **a) Business Combination:**

Business combination: Ind AS 103 - Business combinations ("Ind AS 103") provides for the accounting principles to be applied in case of business combinations (like acquisition method accounting using fair values of the assets transferred, liabilities incurred to the previous owners of the acquire, equity interests issued and contingent consideration). Considering the complexities involved in application of Ind AS 103 and for providing relaxation to the first time adopters of Ind AS, Ind AS 101 provides for following options to be made at transition date:

- i) Not to apply Ind AS 103 retrospectively to past business combinations that occurred before the transition date
- ii) Or, Re-state all the business combinations that occurred before the transition date or that occurred from a particular date (pre-transition date) till the date of transition and accordingly apply Ind AS 103.

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.

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.

**b) 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.

**c) Significant estimates and judgments**

The areas involving significant estimates or judgments are:

- i) Estimation of fair value of unlisted securities
- ii) Estimation of defined benefit obligation
- iii) Estimation of useful life of Property, Plant and Equipment
- iv) Estimation of product warranty

**d) 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.

**e) Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

*i) Sale of automotive vehicles, parts and automotive components:*

Revenue from sale of products is recognised when significant risk and rewards of ownership pass to the customers, as per the terms of the contract and it is probable that the economic benefits associated with the transaction will flow to the Group.

*ii) Sale of Services:*

Revenue from Services is recognised in the accounting period in which the services are rendered and when invoices are raised.

**f) 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.
- v) Government grants that are directly attributable to the assets acquired.

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 fixed assets.

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).

#### **g) Depreciation**

- i) Depreciation on tangible fixed assets 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. Depreciation is adjusted for the proportionate usage with reference to the asset's expected capacity or physical output during the reporting period
- ii) The estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Group is furnished below:

Description	Years
Factory building and other buildings	5 to 64
Plant and Equipment	4 to 21
Electrical Equipment	15
Furniture and Fixtures	4 to 10
Computers	3 to 4
Mobile phones	1 to 2
Vehicles	5 to 6

- iii) Tools and dies used for two wheelers are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 5 years. Tools and dies used for three wheeler operations are depreciated over a period of 9 years.
- iv) 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.
- v) On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.
- vi) Depreciation in respect of tangible assets costing individually less than Rs.5, 000/- is provided at 100%.

#### **h) Intangible assets**

*Other 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, 8 years in case of acquired brands and trade marks and 6 to 10 years in the case of Design, Development and Technical knowhow.

#### **i) 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. Where it is not possible to estimate the recoverable amount of an individual asset, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

The group estimates the recoverable amount of the cash-generating unit (CGU's) to which the asset belongs/or the individual and property, plant and equipment and intangible assets.

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.

#### **j) 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.

- 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, fixed assets, 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 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:

- 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 recognised in other comprehensive income.

**k) 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).

#### **l) Inventories**

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

- i. Cost of raw materials, components, stores, spares, work-in-process and finished goods are determined on a moving average basis.
- ii. 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.
- iii. 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.
- iv. 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.

Land held for development/sale by the real estate subsidiary is valued at the lower of cost and net realizable value. Cost includes cost of acquisition and all related costs.

#### **m) Employee benefits**

##### *i) 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 upto the end of the reporting period at the amounts expected to be paid at the time of settlement.

##### *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 Other Comprehensive Income.

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.

##### *iv) 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.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.

v) *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.

vi) *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.

**n) 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Also for the purposes of restated financials statements the current tax has been proportionately apportioned and taken into account of resulting entity

Deferred income tax is provided in full, using the liability 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 also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. 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.

**o) 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 available.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets 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.

**p) 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.

**q) Segment reporting**

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

The group has identified the following business segments as reportable segments, (on the basis of products and production process) viz. Automotive components.

## r) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company 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 Company 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 Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company 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 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, the Company:

- 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 Company which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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 Company 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.

**s) 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.

**t) Trade receivables**

Trade receivables are recognized initially at actual cost less provision for doubtful debts.

**u) Contract Liabilities**

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company 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 Company performs under the contract.

**v) 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.

- Debt Instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments.

- Amortized Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on debt instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the Statement of Profit and Loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair Value through profit or loss:

Assets that do not meet the criteria for amortized cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at Fair Value Through Profit or Loss (FVTPL). A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented in the statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- 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.

- Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 34(A) and Note 35 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.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

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

### *iii) Derecognition of financial assets*

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- 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.

### *iv) Income recognition*

- Interest income:

Interest income from debt instruments is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

- 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.

#### w) 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 at least 12 months after the reporting period.

#### x) 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 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 Group's considered view, twelve months is its operating cycle for all entities within the Group other than real estate.

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realization of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

#### y) 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.

#### z) Earnings Per Share (EPS)

As per the scheme, new equity shares were allotted at 1:1 ratio to shareholders of Resulting Company as per scheme. The EPS is calculated based on that number of shares.

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of new equity shares of Resulting Company as per the scheme of arrangement.

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.

### RESULTS OF OPERATIONS

The following table sets forth certain items derived from our Restated Consolidated Financial Information for the quarter ended June 30, 2023 and Financial Years ended March 23, 2023, March 31, 2022 and March 31, 2021, expressed in absolute terms and as a percentage of total revenue from operations for the periods indicated:

Particulars	Period ended June 30, 2023		Fiscal ended March 31, 2023		Fiscal ended March 31, 2022		Fiscal ended March 31, 2021	
	(in ₹ crore)	(%)	(in ₹ crore)	(%)	(in ₹ crore)	(%)	(in ₹ crore)	(%)
<b>Revenue from operations</b>								
(a) Sale of products	514.57	98.67	2,025.82	98.20	1,657.17	97.71	1,116.68	97.99
(b) Sale of services	0.92	0.18	0.13	0.01	0.13	0.01	0.13	0.01
(c) Other operating revenues	5.56	1.07	26.83	1.30	35.12	2.07	11.14	0.98
<b>Other income</b>	0.43	0.08	10.20	0.49	3.61	0.21	11.65	1.02
<b>Total Revenue</b>	<b>521.48</b>	<b>100</b>	<b>2,062.98</b>	<b>100</b>	<b>1,696.03</b>	<b>100</b>	<b>1,139.60</b>	<b>100</b>
<b>Expenses</b>								
Cost of materials consumed	285.80	54.81	1,130.63	54.81	956.04	56.37	575.81	50.53



Purchases of Stock-in-Trade	-	-	-	-	-	-	-	-
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	(11.91)	(2.28)	(2.01)	(0.10)	(85.33)	(5.03)	(22.13)	(1.94)
Employee benefits expense	79.48	15.24	277.87	13.47	195.84	11.55	164.69	14.45
Finance costs	21.27	4.08	60.05	2.91	46.39	2.74	47.47	4.17
Depreciation and amortization expense	37.11	7.12	143.88	6.97	130.72	7.71	79.67	6.99
Other expenses	139.51	26.75	521.89	25.30	436.35	25.73	270.04	23.70
<b>Total expenses</b>	<b>551.26</b>	<b>105.71</b>	<b>2,132.31</b>	<b>103.36</b>	<b>1680.01</b>	<b>99.06</b>	<b>1,115.55</b>	<b>97.89</b>
Profit before exceptional and extraordinary items and tax	(29.78)	(5.71)	(69.33)	(3.36)	16.02	0.94	24.05	2.11
Exceptional items								
One Time Voluntary Separation Costs	(3.33)	(0.64)	(17.10)	(0.83)	(13.48)	(0.79)	(13.00)	(1.14)
Profit before extraordinary items and tax	(33.11)	(6.35)	(86.43)	(4.19)	2.54	0.15	11.05	0.97
Extraordinary items	-		-	-	-		-	-
Profit before tax	(33.11)	(6.35)	(86.43)	(4.19)	2.54	0.15	11.05	0.97
Tax expense:								
(1) Current tax	(7.25)	(1.39)	(27.48)	(1.33)	(16.54)	(0.98)	(4.21)	(0.37)
(2) Deferred tax	4.68	0.90	6.10	0.30	(2.71)	(0.16)	(54.39)	(4.77)
Profit/(Loss) for the year	(35.68)	(6.84)	(107.81)	(5.23)	(16.71)	(0.99)	(47.56)	(4.17)
Share of Profit/(Loss) of associates	0.16	0.03	(0.03)	(0.001)	0.12	0.01	0.02	0.002
<b>Profit (Loss)</b>	<b>(35.52)</b>	<b>(6.81)</b>	<b>(107.84)</b>	<b>(5.23)</b>	<b>(16.59)</b>	<b>(0.98)</b>	<b>(47.54)</b>	<b>(4.17)</b>

### Other information

The following table sets forth our EBITDA and EBITDA margin for the three months period ended June 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021:

Particulars	Three month period ended June 30, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
EBITDA (in ₹ crore)	28.33	124.37	189.64	139.56
EBITDA margin (%)	5.44	6.06	11.21	12.37

### Revenue

#### Revenue from operations

Our revenue from operations (on a consolidated basis) accounted for 99.92%, 99.51%, 99.79% and 98.98% of our total revenue for the three months period ended June 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

We report revenue from operations under the following segments: (i) revenue from the sale of products; (ii) revenue from the sale of services; and (iii) other operating revenues.

#### i) Revenue from the sale of products:

We generate revenue from the sale of:

- Sale of aluminium die castings for two wheelers, passenger cars and commercial vehicles; and
- Sale of energy generated from windmills.

*ii) Revenue from the sale of services:*

This comprises lease income and sale of IT services to other companies.

*iii) Other operating revenues:*

We generate other operating revenue from sale of scrap and export incentives.

***Other income***

Our other income primarily comprises interest income, dividends received, gains from the sale of investments, profits from the sale of fixed assets and other non-operating income.

**Expenses**

***Cost of materials consumed***

Cost of materials consumed comprises purchases of raw materials and components (including changes in inventories of finished goods, work-in-process and Stock-in-Trade).

***Purchases of stock-in-trade***

Purchases of stock-in-trade comprises spare parts and engine oil for motor vehicles segment.

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

This pertains to difference between closing stock and opening stock of finished goods, work-in-process and stock-in-trade.

***Employee benefits expense***

Employee benefits expense includes salaries and wages, contribution to provident fund, pension fund and other funds, leave salary and welfare expenses.

***Finance costs***

Finance costs include interest costs payable by us for short term and long term borrowings including working capital loans, other borrowing costs and costs in relation to foreign exchange fluctuations.

***Depreciation and amortization expense***

Depreciation and amortization expense includes depreciation of building, plant and machinery, furniture, fixtures, office equipments, motor vehicles, computers and software.

***Other expense***

Other expenses primarily comprise stores, spares and tools consumed in operations, rental expenses, repairs of buildings, plants and equipment, packing and freight charges, marketing expenses, legal and professional fees.

***Tax expense***

Income tax expense comprises current tax and deferred tax expense or credit computed in accordance with the relevant provisions of the Income Tax Act.

Current tax expense is determined based on the taxable income of the year at the prevailing tax rates.

Deferred tax asset or liability is recognized in the books of accounts to the extent that it is probable that taxable income will be available in future periods against which it can be set-off. The carrying amount of the deferred tax asset or liability is reviewed at the end of each reporting period.

## **Financial Year ended March 31, 2023 Compared to Financial Year ended March 31, 2022**

### ***Revenue***

Our total revenue increased by 21.64% from ₹1,696.03 crore for the Financial Year ended March 31, 2022 to ₹2,062.98 crore for the Financial Year ended March 31, 2023.

#### *i) Revenue from operations:*

Our revenue from operations increased by 21.29% from ₹1,692.42 crore for the Financial Year ended March 31, 2022 to ₹2,052.78 crore for the Financial Year ended March 31, 2023.

#### *ii) Revenue from the sale of products:*

Our revenue from the sale of our products increased by 22.25% from ₹1,657.1 for the Financial Year ended March 31, 2022 to ₹2,025.82 crore for the Financial Year ended March 31, 2023.

#### *iii) Revenue from the sale of services:*

Our revenue from sale of our services stayed constant over the periods being ₹0.13 crore .

#### *iv) Other operating revenues:*

Our other operating revenues decreased by 23.60% from ₹35.12 crore for the Financial Year ended March 31, 2022 to ₹26.83 crore for the Financial Year ended March 31, 2023 primarily due to reduction in export incentives.

### ***Other income***

Our other income increased by 182.55% from ₹3.61 crore for the Financial Year ended March 31, 2022 to ₹10.20 crore for the Financial Year ended March 31, 2023 primarily due to an increase in gain on foreign currency transactions and conversion.

### ***Expenses***

Our total expenses increased by 26.92% from ₹1,680.01 crore for the Financial Year ended March 31, 2022 to ₹2,132.31 crore for the Financial Year ended March 31, 2023.

#### *i) Cost of materials consumed and Purchases of stock-in-trade:*

Our cost of material consumed increased by 18.26% from ₹956.04 crore for the Financial Year ended March 31, 2022 to ₹1,130.63 crore for the Financial Year ended March 31, 2023 primarily due to increase in production volumes and to meet the increased demand in our automotive components segment.

#### *ii) Employee benefits expense:*

Our expenses towards employee benefits increased by 41.89% from ₹195.84 crore for the Financial Year ended March 31, 2022 to ₹277.87 crore for the Financial Year ended March 31, 2023. The increase is in line with the average yearly increase in salary/ benefits granted to our employees.

#### *iii) Finance costs:*

Our financing costs increased by 29.45% from ₹46.39 crore for the Financial Year ended March 31, 2022 to ₹60.05 crore for the Financial Year ended March 31, 2023. The increase was primarily attributable to an increase in the base lending rate by Indian banks during the year and the replacement of low interest rate bearing foreign currency denominated debt with higher interest bearing domestic loans.

iv) *Depreciation and amortization expense:*

Our depreciation and amortization expense increased by 10.07% from ₹130.72 crore for the Financial Year ended March 31, 2022 to ₹143.88 crore for the Financial Year ended March 31, 2023 primarily due to certain additions to our fixed assets during the periods under review.

v) *Other expense*

Our other expenses increased by 19.60% from ₹436.35 crore for the Financial Year ended March 31, 2022 to ₹521.89 crore for the Financial Year ended March 31, 2023 primarily due to increase in power costs and logistics expense.

***Profit before tax***

As a result of the foregoing, our overall profit before tax decrease from ₹2.66 crore for the Financial Year ended March 31, 2022 to a loss of ₹86.46 crore for the Financial Year ended March 31, 2023.

***Tax expense***

Our tax expense increased by 11.02% from ₹19.25 crore for the Financial Year ended March 31, 2022 to ₹21.38 crore for the Financial Year ended March 31, 2023.

***Profit for the year***

As a result of the foregoing, our loss after tax for the Financial Year ended March 31, 2023 was ₹107.84 crore as compared to ₹16.59 crore for the Financial Year ended March 31, 2022.

**Financial Year ended March 31, 2022 Compared to Financial Year ended March 31, 2021**

***Revenue***

Our total revenue increase by 48.83% from ₹1,139.60 crore for the Financial Year ended March 31, 2021 to ₹1,696.03 crore for the Financial Year ended March 31, 2022.

***Revenue from operations***

Our revenue from operations increased by 50.04% from ₹1,127.95 crore for the Financial Year ended March 31, 2021 to ₹1,692.42 crore for the Financial Year ended March 31, 2022.

i) *Revenue from the sale of products.*

Our revenue from the sale of our products increased by 48.40% from ₹1,116.68 Crore for the Financial Year ended March 31, 2021 to ₹1,657.17 crore for the Financial Year ended March 31, 2022.

ii) *Revenue from the sale of services.*

Our revenue from sale of our services stayed constant over the periods being ₹0.13 Crore .

iii) *Other operating revenues.*

Our other operating revenues increased by 215.26% from ₹11.14 crore for the Financial Year ended March 31, 2021 to ₹35.12 crore for the Financial Year ended March 31, 2022.

***Other income***

Our other income decreased by 69.01% from ₹11.65 crore for the Financial Year ended March 31, 2021 to ₹3.61 crore for the Financial Year ended March 31, 2022 primarily due to an decrease in Gain on foreign currency transactions and translation.

### ***Expenses***

Our total expenses increased by 50.60% from ₹1,115.55 crore for the Financial Year ended March 31, 2021 to ₹1,680.01 crore for the Financial Year ended March 31, 2022.

### ***Cost of materials consumed and Purchases of stock-in-trade***

Our cost of material consumed increased by 66.03% from ₹575.81 crore for the Financial Year ended March 31, 2021 to ₹956.04 crore for the Financial Year ended March 31, 2022 primarily due to increase in production volumes and to meet the increase demand in our automotive components segment.

### ***Employee benefits expense***

Our expenses towards employee benefits increased by 18.91% from ₹164.69 crore for the Financial Year ended March 31, 2021 to ₹195.84 crore for the Financial Year ended March 31, 2022. The increase is in line with the average yearly increase in salary/ benefits granted to our employees.

### ***Finance costs***

Our financing costs decreased by 2.28% from ₹47.47 crore for the Financial Year ended March 31, 2021 to ₹46.39 crore for the Financial Year ended March 31, 2022.

### ***Depreciation and amortization expense***

Our depreciation and amortization expense increased by 64.08% from ₹79.67 crore for the Financial Year ended March 31, 2021 to ₹130.72 crore for the Financial Year ended March 31, 2022 primarily due to certain additions to our fixed assets during the periods under review.

### ***Other expense***

Our other expenses increased by 61.59% from ₹270.04 crore for the Financial Year ended March 31, 2021 to ₹436.35 crore for the Financial Year ended March 31, 2022 primarily due to increase in power costs and marketing expense.

### ***Profit before tax***

As a result of the foregoing, our overall profit before tax decrease from ₹11.07 crore for the Financial Year ended March 31, 2021 to a ₹2.66 crore for the Financial Year ended March 31, 2022.

### ***Tax expense***

Our tax expense decreased by 67.14% from ₹58.60 crore for the Financial Year ended March 31, 2021 to ₹19.25 crore for the Financial Year ended March 31, 2022.

### ***Profit for the year***

As a result of the foregoing, our loss after tax for the Financial Year ended March 31, 2022 was ₹16.59 crore as compared to ₹47.54 crore for the Financial Year ended March 31, 2021.

## **LIQUIDITY AND CAPITAL RESOURCES**

As of June 30, 2023, our Company had cash and bank balances amounting to ₹127.16 crore. Our cash and cash balances primarily consist of cash at hand, fixed deposits with more than one year's maturity, cheques/drafts at hand and balance held with banks. Our primary liquidity requirements have been to finance our raw material/auto component purchases for our manufacturing operations. Our business requires a significant amount of working capital. We expect to meet our working capital and liquidity requirements for the next 12 months primarily from cash flows from our operations, loans from banks and financial institutions.

### ***Cash flows***

Set forth below is a table of selected information from our consolidated statements of cash flows for the three months period ended June 30, 2023 and the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021.

(In ₹ crore)

Particulars	Three months period ended June 30, 2023	Fiscal ended March 31, 2023	Fiscal ended March 31, 2022	Fiscal ended March 31, 2021
Net cash from/(used in) operating activities	(2.34)	126.15	104.97	110.86
Net cash from/(used in) investing activities	(57.36)	(185.97)	(99.02)	(46.15)
Net cash from/(used in) financing activities	83.11	39.96	96.56	(106.96)
Net increase/(decrease) in cash and cash equivalents	23.41	(19.86)	102.51	(42.25)
Cash and cash equivalents at the beginning of the year	103.75	123.61	21.10	63.35
Cash and cash equivalents at the end of the year	127.16	103.75	123.61	21.10

***Net cash generated from/(used in) operating activities***

Our net flows generated from operating activities for the three months period ended June 30, 2023 primarily comprised of operating profit before working capital changes for ₹25.60 crore, which was adjusted for a decrease in working capital adjustments of ₹20.69 crore and taxes of ₹7.25 crore.

Our net flows generated from operating activities for the Financial Year ended March 31, 2023 primarily comprised of operating profit before working capital changes for ₹107.27 crore, which was adjusted for an increase in working capital adjustments of ₹46.36 crore and taxes of ₹27.48 crore.

Our net flows generated from operating activities for the Financial Year ended March 31, 2022 primarily comprised of operating profit before working capital changes for ₹180.45 crore, which was adjusted for a decrease in working capital adjustments of ₹58.94 crore and taxes of ₹16.54 crore.

Our net flows generated from operating activities for the Financial Year ended March 31, 2021 primarily comprised of operating profit before working capital changes for ₹126.99 crore, which was adjusted for a decrease in working capital adjustments of ₹11.92 crore and taxes of ₹4.21 crore.

***Net cash generated from/(used in) investing activities***

Our cash flow used in investment activities for the three months period ended June 30, 2023 primarily comprised net purchase of fixed assets of ₹ 56.70 crore, Interest income of ₹0.41 crore and net purchase of investments of ₹1.07 crore.

Our cash flow used in investment activities for the Financial Year ended March 31, 2023 primarily comprised net purchase of fixed assets of ₹186.94 crore, Interest income of ₹0.97 crore and net purchase of investments is NIL.

Our cash flow used in investment activities for the Financial Year ended March 31, 2022 primarily comprised net purchase of fixed assets of ₹99.61 crore, Interest income of ₹1.08 crore and net purchase of investments of ₹0.49 crore.

Our cash flow used in investment activities for the Financial Year ended March 31, 2021 primarily comprised net purchase of fixed assets of ₹46.74 crore, Interest income of ₹1.80 crore and net purchase of investments of ₹1.22 crore.

***Net cash generated from/(used in) financing activities***

Our net cash generated from financing activities for the three months period ended June 30, 2023 was primarily comprised of increase in loans ₹101.91 crore which was offset by finance cost of ₹21.27 crore and others net increase of ₹2.47 crore.

Our net cash generated from financing activities for the Financial Year ended March 31, 2023 primarily comprised an increase in loans of ₹127.49 crore which was offset by finance cost of ₹60.05 crore and other net decrease of ₹27.47 crore.

Our net cash generated from financing activities for the Financial Year ended March 31, 2022 was primarily comprised of increase in loans availed of ₹56.90 crore, which was offset by finance cost of ₹46.39 Crore and

other net increase of ₹86.05 crore.

Our net cash generated from financing activities for the Financial Year ended March 31, 2021 was primarily comprised of net loan repayment of ₹45.03 crore, which was offset by finance cost of ₹47.47 crore and other net decrease of ₹14.46 crore.

## ASSETS

Our fixed assets primarily consist of freehold and leasehold land, buildings, furniture and fixtures, plant and machinery, office equipment, vehicles, computers and software. Investments include investments in equity securities of listed and unlisted companies.

With respect to our current assets, inventories include raw materials, work in process and finished goods. Trade receivables include receivables with respect to sale of goods and services.

## FINANCIAL INDEBTEDNESS

The following table sets forth our consolidated secured and unsecured debt position as at June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

*(in ₹ crore)*

Particulars	Amount outstanding as at June 30, 2023	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022	Amount outstanding as at March 31, 2021
<b>Secured Loans</b>				
Term loans from banks	234.79	230.22	249.76	376.51
Term loans from other parties	8.28	8.12	7.51	6.95
Short term loans from banks repayable on demand	173.74	140.52	66.97	48.11
<b>Total (A)</b>	<b>416.81</b>	<b>378.86</b>	<b>324.24</b>	<b>431.57</b>
<b>Unsecured Loans</b>				
Term loans from banks	543.07	546.24	405.98	265.34
Short term loans from banks	123.12	56.02	123.56	100.11
0.1% Non-Convertible Redeemable Preference Shares	0.87	0.87	0.87	0.87
Debentures	99.88	99.85	99.70	99.55
<b>Total (B)</b>	<b>766.94</b>	<b>702.98</b>	<b>630.11</b>	<b>465.87</b>
<b>Total (A+B)</b>	<b>1,183.75</b>	<b>1,081.84</b>	<b>954.35</b>	<b>897.44</b>

Note: Short terms loans are loans which have tenure of less than one year

## OFF-BALANCE SHEET ARRANGEMENTS

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

## CONTINGENT LIABILITIES

The following table provides our consolidated contingent liabilities as of June 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021:

*(in ₹ crore)*

Particulars	As at three months period ended June 30, 2023	As at year ended March 31, 2023	As at year ended March 31, 2022	As at year ended March 31, 2021
Contingent liability not provided for				
Claims against the Company not acknowledged as debt	60.13	60.13	0.77	0.83
Guarantees excluding Financial Guarantees	-	-	0.59	0.59
Other money for which the Company is contingently liable	-	4.47	6.03	11.50

Estimated amount of contracts remaining to be executed on capital account	219.14	210.65	10.89	22.21
Others	-	-	-	-
<b>Total</b>	<b>279.27</b>	<b>275.25</b>	<b>18.28</b>	<b>35.13</b>

#### **RELATED PARTY TRANSACTIONS**

We have engaged in the past, and may engage in the future, in transactions with related parties, including with our affiliates and certain key management members on an arm's length basis. For details in relation to the related party transactions, see "*Financial Information*" on page 111.



## SECTION VII - LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there are no pending: (i) criminal proceedings (including first information reports); (ii) actions by regulatory or statutory authorities (iii) claims relating to direct and indirect taxes (disclosed in a consolidated manner, giving the number of cases and the total amount); and (vi) other pending litigation (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy on disclosures under SEBI ICDR Regulations (as disclosed herein below), each involving our Company, Subsidiaries, Group Companies, Directors or Promoters (collectively, the “**Relevant Parties**”). Further, except as disclosed in this section, there are no disciplinary actions (including penalties imposed) initiated by SEBI or the Stock Exchanges against any of our Promoters in the last five Fiscals immediately preceding the date of this Information Memorandum, including any outstanding action.

In accordance with the criteria laid under the SEBI ICDR Regulations, TVS Motor Company Limited, TVS Credit Services Limited, Emerald Heaven Realty Limited and Sundaram Auto Components Limited have been identified as our Group Companies. For more information, please see section “Group Companies” on page 108. All pending litigation involving our Group Companies which have a material impact on our Company have been disclosed in this section.

For the purposes of (iv) above, our Company has defined the criteria under the Materiality Policy on disclosures under SEBI ICDR Regulations for identification of material outstanding litigation involving the Relevant Parties pursuant to Board resolution dated August 11, 2023. In terms of the Materiality Policy, any outstanding litigation: (i) involving any of the Relevant Parties, in which the aggregate monetary claim by or against such Relevant Party, whose value or the expected impact in terms of value, exceeds the lower of: (a) two percent of turnover as per the last audited consolidated financial information; or (b) two percent of net worth as per the last audited consolidated financial information, except in case the arithmetic value of the net worth is negative; or (c) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial information of our Company has been considered material. Accordingly, the five percent of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 is ₹(2.87) crores. Therefore, all pending litigations involving any of the Relevant Parties, in excess of ₹(2.87) crores have been disclosed under this section. Further, all pending litigations involving any of the Relevant Parties, where the quantitative amount involved in such pending litigation cannot be ascertained and the omission of its disclosure under this section is likely to result in (i) discontinuity or alteration of information already available publicly; or (ii) significant market reaction at a later date, have been disclosed in this section.

Except as disclosed in this section, there are no outstanding dues to ‘material’ creditors and to micro, small and medium enterprises in terms of Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006. Further, in accordance with the criteria defined in the Materiality Policy on disclosures under SEBI ICDR Regulations, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as at the end of the most recent period covered in the Restated Consolidated Financial Information. The consolidated trade payables of our Company as on June 30, 2023, was ₹387.28 crores. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹19 crores (being 5% of the consolidated trade payables) as on June 30, 2023.

#### I. Litigations involving our Company:

##### A. Litigations against our Company

###### 1. Criminal proceedings

There are no outstanding criminal proceedings against our Company, as on the date of this Information Memorandum.

###### 2. Civil proceedings

There are no material outstanding civil proceedings against our Company, as on the date of this Information Memorandum.

3. *Tax claims*

Except as disclosed below, there are no outstanding direct or indirect tax claims involving our Company, as on the date of this Information Memorandum:

Nature of Case	Number of cases	Amount involved* (in ₹ crore)
Direct Tax	17	19.07
Indirect Tax	12	97.86

\* To the extent quantifiable.

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving our Company, as on the date of this Information Memorandum.

**B. Litigations by our Company**

1. *Criminal proceedings*

There are no outstanding criminal proceedings initiated by our Company, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings initiated by our Company, as on the date of this Information Memorandum.

**II. Litigations involving our Promoters:**

**A. Litigations against our Promoters**

1. *Criminal proceedings*

There are no outstanding criminal proceedings against our Promoters, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings against our Promoters, as on the date of this Information Memorandum.

3. *Tax claims*

There are no outstanding direct or indirect tax claims involving our Promoters, as on the date of this Information Memorandum.

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving our Promoters, as on the date of this Information Memorandum.

5. *Disciplinary actions (including penalties imposed by SEBI or the Stock Exchanges) in the last five Financial Years, including outstanding actions*

There are no disciplinary actions (including penalties imposed by SEBI or the Stock Exchanges) in the last five Financial Years, including any outstanding actions, involving our Promoters, as on the date of this Information Memorandum.

**B. Litigations by our Promoters**

1. *Criminal proceedings*

There are no outstanding criminal proceedings initiated by our Promoters, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings initiated by our Promoters, as on the date of this Information Memorandum.

**III. Litigations involving our Directors:**

**A. Litigations against our Directors**

1. *Criminal proceedings*

There are no outstanding criminal proceedings against our Directors, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings against our Directors, as on the date of this Information Memorandum.

3. *Tax claims*

There are no outstanding direct or indirect tax claims involving our Directors, as on the date of this Information Memorandum.

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving our Directors, as on the date of this Information Memorandum.

**B. Litigations by our Directors**

1. *Criminal proceedings*

There are no outstanding criminal proceedings initiated by our Directors, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings initiated by our Directors, as on the date of this Information Memorandum.

**IV. Litigations involving our Subsidiaries:**

**A. Litigations against our Subsidiaries**

1. *Criminal proceedings*

There are no outstanding criminal proceedings against our Subsidiaries, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings against our Subsidiaries, as on the date of this Information Memorandum.

3. *Tax claims*

There are no outstanding direct or indirect tax claims involving our Subsidiaries, as on the date of this Information Memorandum.

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving our Subsidiaries, as on the date of this Information Memorandum.

**B. Litigations by our Subsidiaries**

1. *Criminal proceedings*

There are no outstanding criminal proceedings initiated by our Subsidiaries, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings initiated by our Subsidiaries, as on the date of this Information Memorandum.

**V. Litigations involving our Group Companies**

**A. Litigations against TVS Motor Company Limited**

1. *Criminal proceedings*

There are no outstanding criminal proceedings against TVS Motor Company Limited, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings against TVS Motor Company Limited, as on the date of this Information Memorandum.

3. *Tax claims*

Except as disclosed below, there are no outstanding direct or indirect tax claims involving TVS Motor Company Limited, as on the date of this Information Memorandum:

Nature of Case	Number of cases	Amount involved* (in ₹ crore)
Direct Tax	20	198.78
Indirect Tax	11	75.66

\* To the extent quantifiable.

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving TVS Motor Company Limited, as on the date of this Information Memorandum.

**B. Litigations by TVS Motor Company Limited**

1. *Criminal proceedings*

There are no outstanding criminal proceedings initiated by TVS Motor Company Limited, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings initiated by TVS Motor Company Limited, as on the date of this Information Memorandum.

**C. Litigations against TVS Credit Services Limited**

1. *Criminal proceedings*

Except as disclosed below, there are no outstanding criminal proceedings against TVS Credit Services Limited, as on the date of this Information Memorandum:

- i. A first information report (“**FIR**”) dated November 24, 2022 has been registered before the Villupuram Police Station, Viluppuram-605602, Tamil Nadu, by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited and its employee (“**Accused**”) under Section 420 of IPC. The Complainant has alleged that certain spare parts of the vehicle which was previously re-possessed by the Accused were missing on release of the vehicle to the Complainant after payment of the outstanding dues owed by him. TVS Credit Services Limited has accordingly has filed an application on behalf of their employee for anticipatory bail dated December 14, 2022 before the Court of the Judicial Magistrate, Court-I, Villupuram at Tamil Nadu. AB granted for the employee. The matter is currently pending investigation, and no charge sheet/final report has been filed yet.
- ii. An FIR dated September 8, 2022 has been registered before the Eka Police Station, Firozabad-283152, Uttar Pradesh by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited and few of its employees (“**Accused**”) alleging wrongful re-possession of the Complainant’s Tractor under Sections 420 and 406 of IPC. The relevant authority has taken cognizance of the matter, and it is currently pending before the Court of the Civil Judge (Junior Division) (Class II), Shikohabad at Uttar Pradesh and is scheduled for Summons to the accused and hearing on February 20, 2024.
- iii. An FIR dated July 11, 2022 has been registered before the Akbarpur Police Station, Akbarpur-224122, Uttar Pradesh by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited (“**TVS CS**”) under Section 420 of IPC, alleging that an excess amount has been charged by TVS CS in relation to the loan availed by the Complainant on the purchase of his two-wheeler and TVS CS has charged an additional amount of ₹6,500 and has re-possessed the said two-wheeler. The matter is currently pending for presentation of the final report and hearing is scheduled on January 09, 2024 before the Court of the Judicial Magistrate, Akbarpur at Uttar Pradesh.
- iv. An FIR dated March 3, 2022 has been registered before the Nallipalyam Police Station, Namakkal-637003, Tamil Nadu, against our Group Company, TVS Credit Services Limited and certain of its employee (“**Accused**”) by its customer (“**Complainant**”). The Accused had seized the Complainant’s vehicle for non-payment of the equated monthly instalments due by him. Thereafter, the Complainant has filed the aforementioned FIR alleging that the Accused have violated Sections 324, 392 and 420 of IPC. The relevant authority has taken cognizance of the matter, and the case is pending investigation and filing of charge sheet/final report.
- v. An FIR dated March 3, 2022 has been filed before the Cantonment Police Station, Trichy-600021, Tamil Nadu by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited and its employee (“**Accused**”) alleging that the Accused have violated Sections 323, 342, 364A and 506 of IPC. The relevant authority has taken cognizance of the matter, and the case is pending investigation and filing of charge sheet/final report.

- vi. An FIR dated December 30, 2021 has been filed by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited and its employee (“**Accused**”) before the Manamelkudi Police Station, Kottaiappattinam-614620, Tamil Nadu, under Sections 3(1)(b), 3(1)(r), 3(1)(s), 3(2) of the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989 and Sections 294(b) and 324 of IPC, alleging that the Accused abused the Complainant by making references to their caste and assaulting them under Section 352 of IPC. The relevant authority has taken cognizance of the matter, and the matter is pending before the Special Court for Exclusive Trial of Cases Registered under the Scheduled Caste and Scheduled Tribe (Prevention of Atrocities) Act, 1989, Pudukottai at Tamil Nadu. The relevant authority has taken cognizance of the matter and the next hearing date is scheduled on February 08, 2024.
- vii. A criminal complaint dated December 21, 2020 has been filed before the Court of the Chief Judicial Magistrate, Raibareilli at Uttar Pradesh by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited and certain of its employees (“**Accused**”) alleging forceful re-possession of the hypothecated vehicle of the Complainant under Section 200 of the Cr.P.C. The relevant authority has taken cognizance of the matter, and the matter is currently pending for evidentiary hearing scheduled on January 16, 2024 before the Court of the Additional Civil Judge, Junior Division 1, Raibareilli at Uttar Pradesh.
- viii. An FIR dated December 4, 2020 has been registered against our Group Company, TVS Credit Services Limited and three of its employees (“**Accused**”) before the Haringhata Police Station, Kalyani-741249, West Bengal by a customer (“**Complainant**”) under Section 406 of IPC. The Complainant has alleged that the Accused threatened him with dire consequences over the phone and re-possessed his hypothecated two-wheeler. The relevant authority has taken cognizance of the matter, and the matter is pending before the Court of the Chief Judicial Magistrate, Kalyani at West Bengal and is scheduled for hearing and plea on July 23, 2024.
- ix. An FIR dated October 19, 2020 has been registered before the Lumding Police Station, Guwahati-781008, Assam, against our Group Company, TVS Credit Services Limited and its employee (“**Accused**”) by its customer (“**Complainant**”). The FIR alleges wrongful repossession of hypothecated vehicle of the Complainant under Section 420 of the IPC. Investigation process is pending with the police station and the charge sheet/final report, as the case may be, is yet to be filed before the Court of the Chief Judicial Magistrate, Hojai, Nagaon in Assam.
- x. A criminal complaint dated June 28, 2019 has been lodged before the Court of Civil Judge, Class II, Pratyush Chaturvedi, Indore at Madhya Pradesh by a customer (“**Complainant**”) against our Group Company, TVS Credit Services Limited and Smart Sim Solution (“**Accused**”) under Section 200 of the Criminal Procedure Code, 1973 (“**Cr.P.C**”) read with Section 420 of IPC alleging that no satisfactory response or finance was received by the Complainant for his loan application in relation to his hypothecated vehicle. The relevant authority has taken cognizance of the matter, and the matter is pending for evidentiary hearing scheduled on January 11, 2024 before the Court of Civil Judge, Class II, Pratyush Chaturvedi, Indore at Madhya Pradesh.
- xi. A criminal complaint dated December 5, 2017 has been filed before the Court of the Chief Metropolitan Magistrate, Kanpur in Uttar Pradesh against our Group Company, TVS Credit Services Limited and its employee (“**Accused**”) by its customer (“**Complainant**”) alleging that the Accused have committed fraud under Section 420 of IPC by demanding the Complainant to make the equated monthly instalments due to the Accused in relation to certain loan availed by the Complainant and harassing him in the process. The relevant authority has taken cognizance of the matter, and the case is currently pending before the Court of the Chief Metropolitan Magistrate, Kanpur in Uttar Pradesh and is due for an evidentiary hearing scheduled on January 16, 2024.

## 2. *Civil proceedings*

There are no material outstanding civil proceedings against TVS Credit Services Limited, as on the date of this Information Memorandum.

### 3. Tax claims

Except as disclosed below, there are no outstanding direct or indirect tax claims involving TVS Credit Services Limited, as on the date of this Information Memorandum:

Nature of Case	Number of cases	Amount involved* (in ₹ crore)
Direct Tax	3	20.20
Indirect Tax	6	4.72

\* To the extent quantifiable

### 4. Regulatory and statutory actions

There are no outstanding regulatory or statutory actions involving TVS Credit Services Limited, as on the date of this Information Memorandum.

## D. Litigations by TVS Credit Services Limited

### 1. Criminal proceedings

Except as disclosed below, there are no outstanding criminal proceedings initiated by TVS Credit Services Limited, as on the date of this Information Memorandum:

- i. TVS Credit Services Limited has filed 16,790 complaints and notices under Section 138 of the Negotiable Instruments Act, 1881 and Section 25 of the Payment and Settlement Systems Act, 2007 for recovering amounts due from various entities on account of dishonouring of cheques issued/electronic funds by such entities pending before various courts. The aggregate amount involved in these matters is ₹199.35 crores.
- ii. An FIR dated February 20, 2021 has been registered by our Group Company, TVS Credit Services Limited (“TVS CS”) before the Pratap Nagar Police Station, Bapu Nagar, Bhilwara-311001, Rajasthan under Section 156(3) read with Sections 403, 406, 424 and 120B of the IPC against its customer (“Customer”). The Customer filed a criminal miscellaneous petition dated September 18, 2021 before the High Court of Rajasthan at Jodhpur under Section 482 of the Criminal Procedure Code, 1973 seeking the quashing of the FIR filed by TVS CS. The case is pending for hearing before the High Court of Rajasthan at Jodhpur and was scheduled for hearing on January 24, 2024.
- iii. TVS Credit Services Limited (“TVS CS”) registered an FIR dated November 11, 2019 before the Vaishali Sadar Police Station, Hajipur-844101, Bihar against one of its customers (“Customer”) under Sections 406, 420, 467, 468, 469, 471 and 120B of IPC, alleging that the Customer availed multiple loans from several finance companies on the same asset. The Customer thereafter registered a counter complaint dated January 20, 2020 against TVS CS under Section 420 of IPC before the Sahajitpur Police Station, Malmaliya Jalalpur Road, Baniapur-841422, Bihar. The relevant authority has taken cognizance of the matter, and the case is pending for investigation.

### 2. Civil proceedings

There are no material outstanding civil proceedings initiated by TVS Credit Services Limited, as on the date of this Information Memorandum.

## E. Litigations against Emerald Haven Realty Limited

### 1. Criminal proceedings

There are no outstanding criminal proceedings against Emerald Haven Realty Limited, as on the date of this Information Memorandum.

### 2. Civil proceedings

There are no material outstanding civil proceedings against Emerald Haven Realty Limited, as on the date of this Information Memorandum.

3. *Tax claims*

Except as disclosed below, there are no outstanding direct or indirect tax claims involving Emerald Haven Realty Limited, as on the date of this Information Memorandum:

Nature of Case	Number of cases	Amount involved* (in ₹ crore)
Direct Tax	3	1.69
Indirect Tax	-	-

\* To the extent quantifiable

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving Emerald Haven Realty Limited, as on the date of this Information Memorandum.

**F. Litigations by Emerald Haven Realty Limited**

1. *Criminal proceedings*

There are no outstanding criminal proceedings initiated by Emerald Haven Realty Limited, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings initiated by Emerald Haven Realty Limited, as on the date of this Information Memorandum.

**G. Litigations against Sundaram Auto Components Limited**

1. *Criminal proceedings*

There are no outstanding criminal proceedings against Sundaram Auto Components Limited, as on the date of this Information Memorandum.

2. *Civil proceedings*

There are no material outstanding civil proceedings against Sundaram Auto Components Limited, as on the date of this Information Memorandum.

3. *Tax claims*

Except as disclosed below, there are no outstanding direct or indirect tax claims involving Sundaram Auto Components Limited, as on the date of this Information Memorandum:

Nature of Case	Number of cases	Amount involved* (in ₹ crore)
Direct Tax	3	3.46
Indirect Tax	1	8.99

\* To the extent quantifiable.

4. *Regulatory and statutory actions*

There are no outstanding regulatory or statutory actions involving Sundaram Auto Components Limited, as on the date of this Information Memorandum.



## H. Litigations by Sundaram Auto Components Limited

### 1. Criminal proceedings

There are no outstanding criminal proceedings initiated by Sundaram Auto Components Limited, as on the date of this Information Memorandum.

### 2. Civil proceedings

There are no material outstanding civil proceedings initiated by Sundaram Auto Components Limited, as on the date of this Information Memorandum.

## VI. Outstanding dues to micro, small and medium enterprises and other creditors

In accordance with the criteria defined in the Materiality Policy on disclosures under the SEBI ICDR Regulations, our Company has considered such creditors 'material' to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as at the end of the most recent period covered in the Restated Consolidated Financial Information. The consolidated trade payables of our Company as on June 30, 2023, was ₹387.28 crores and a creditor has been considered 'material' if the amount due to such creditor exceeds ₹19 crores (being 5% of the consolidated trade payables) as on June 30, 2023 ("Material Creditors"). Accordingly, as on the date of this Information Memorandum, our Company does not have any Material Creditors.

The details of total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on June 30, 2023 is set forth below:

Sr No	Type of creditor	No. of creditors	Amount involved (₹ in crore)
1.	Dues to micro, small and medium enterprises	420	31.05
2.	Dues to other Creditors	644	356.23
3.	Dues to Material Creditors	-	-
<b>Total</b>		<b>1,064</b>	<b>387.28</b>

The information as required under SEBI ICDR Regulations in relation to outstanding dues to Material Creditors as on June 30, 2023, is available on the website of our Company at [www.sundaram-clayton.com](http://www.sundaram-clayton.com).

## VII. Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interests thereon; and loan from any bank or financial institutions and interest thereon:

We confirm that, as on the date of this Information Memorandum, there are no defaults by our Company in repayment of (i) statutory dues; (ii) debentures and interests thereon; (iii) deposits and interests thereon; or (iv) loan from any bank or financial institution and interests thereon.

## VIII. Material developments since June 30, 2023

We confirm that from June 30, 2023 till the date of this Information Memorandum, no developments have taken place or circumstances have arisen which have materially and adversely affected or are likely to affect, within the next 12 months: (a) our trading, profitability, performance or prospects; (b) the value of our assets; or (c) our ability to pay our liabilities.

## GOVERNMENT AND OTHER APPROVALS

List below is an indicative list of material approvals applicable to our Company and its Subsidiaries. In view of these approvals, our Company and the Subsidiaries can undertake their business activities. Unless stated otherwise, we have obtained necessary material approvals from the relevant governmental and regulatory authorities, and these are valid as on the date of this Information Memorandum.

### **I. Material approvals in relation to our Company**

We require various approvals to carry on our business in India, we have received the following material Government and other approvals pertaining to our business.

#### ***A. Material Approvals in relation to incorporation***

1. Certificate of incorporation dated August 29, 2017 was issued to our Company, under the name 'TVS Commodity Financial Solutions Private Limited' by the Registrar of Companies.
2. Fresh certificate of incorporation dated February 8, 2022 was issued by the Registrar of Companies pursuant to change of name of our Company from 'TVS Commodity Financial Solutions Private Limited' to 'Sundaram - Clayton DCD Private Limited' .
3. Fresh certificate of incorporation dated February 24, 2022 was issued by the Registrar of Companies pursuant to conversion of our Company from private limited company to public limited company.
4. Fresh certificate of incorporation dated August 30, 2023 was issued by the Registrar of Companies pursuant to change of name of our Company from 'Sundaram - Clayton DCD Limited' to 'Sundaram-Clayton Limited'.

#### ***B. Material Approvals from taxation authorities***

1. The permanent account number of our Company is AAGCT4069D.
2. The tax deduction account number of our Company is CHET17139D.
3. Our Company has obtained goods and services tax registration under the Central Goods and Services Tax Act, 2017, for the state of Tamil Nadu with the GSTIN 33AAGCT4069D1ZH.

#### ***C. Material approvals in relation to our business operations:***

1. Manufacturing facility located at Padi, Chennai, Tiruvallur District, Tamil Nadu, India
  - i. Registration and license to work a factory dated December 26, 2022 (bearing reference number KNG00299), issued under the Factories Act, 1948 read with Tamil Nadu Factories Rules, 1950, which is valid up to December 31, 2023;
  - ii. Fire service license dated September 11, 2023 (bearing reference number 016245/B2/2023), under Section 13 of the Tamil Nadu Fire Service Act 1985 read with Tamil Nadu Fire Service Rules 1990 Appendix III, which is valid up to September 10, 2024;
  - iii. Consent dated January 30, 2020 (bearing reference number 2008230351060), for operation of the plant and discharge of emissions under Section 21 of the Air Act, which is valid up to March 31, 2024;
  - iv. Consent dated January 30, 2020 (bearing reference number 2008130351060),for the operation of the plant and discharge of sewage and/or trade effluent under Section 25 of the Water Act, which is valid up to March 31, 2024;

- v. Consent dated July 19, 2023 (bearing reference number 23HRZ53247292), under Rule 6 of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which is valid up to March 31, 2028;
  - vi. License dated July 17, 2018 (bearing reference number CES(N) 1494 / EI / AMB / 18), under Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010;
  - vii. Certificate of Building Stability dated June 18, 2021 as per Section 7(1) under Rule-12-B (3) and (4) of the Factories Act 1948 and Tamil Nadu Factories Rules, 1950, which is valid up to June 17, 2024;
  - viii. Registration dated October 18, 2022 (bearing reference number CLA/R/TVR00759), under Contract Labour (Regulation and Abolition) Act, 1970.
2. Manufacturing facility located at Sipcot Industrial Estate, Oragadam, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu, India
- i. Registration and license to work a factory dated February 14, 2023 (bearing reference number KPM08869), issued under the Factories Act, 1948 read with Tamil Nadu Factories Rules, which is valid up to December 31, 2023;
  - ii. Consent dated February 14, 2020 (bearing reference number 2007231072132), for operation of the plant and discharge of emissions under Section 21 of the Air Act, which is valid up to March 31, 2024;
  - iii. Consent dated February 14, 2020 (bearing reference number 2007131072132), for the operation of the plant and discharge of sewage and/or trade effluent under Section 25 of the Water Act, which is valid up to March 31, 2024;
  - iv. Consent dated February 8, 2021 (bearing reference number 21HFZ34100342), under Rule 6 of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which is valid up to February 7, 2026;
  - v. License dated June 27, 2017 (bearing reference number KPM1598/CEIG/D3/SC/2017-2), under Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010;
  - vi. License dated June 18, 2018 (bearing reference number SPR 2061/CEIG/D5/SC/2018-2), under Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010;
  - vii. Certificate of Building Stability dated May 17, 2022 as per Section 7(1) under Rule-12-B (3) and (4) of the Factories Act 1948 and Tamil Nadu Factories Rules, 1950, which is valid up to May 15, 2025;
  - viii. Registration dated July 12, 2023 (bearing reference number CLA/L/KPM08869/012), under Contract Labour (Regulation and Abolition) Act, 1970.
3. Manufacturing facility located at Bellagondapalli Village, Hosur, Denakanikottai Taluk, Krishnagiri, Tamil Nadu, India
- i. Registration and license to work a factory dated December 16, 2022 (bearing reference number KNG00299) issued under the Factories Act, 1950 read with Tamil Nadu Factories Rules, 1950, which is valid up to December 31, 2023;
  - ii. Fire service license dated August 17, 2023 (bearing reference number 3381/A1/2023), under Section 13 of the Tamil Nadu Fire Service Act 1985 read with Tamil Nadu Fire Service Rules 1990 Appendix III, which is valid up to August 16, 2024;

- iii. Consent dated April 24, 2020 (bearing reference number 2008230484330), for operation of the plant and discharge of emissions under Section 21 of the Air Act, which is valid up to March 31, 2024;
  - iv. Consent dated April 24, 2020 (bearing reference number 2008130484330), for the operation of the plant and discharge of sewage and/or trade effluent under Section 25 of the Water Act, which is valid up to March 31, 2024;
  - v. Consent dated March 30, 2023 (bearing reference number 23HRZ49868400), under Rule 6 of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which is valid up to March 31, 2027;
  - vi. License dated May 7, 2015 (bearing reference number DAR 242/CEIG/D3/SC/2015), under Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010;
  - vii. Certificate of Building Stability dated October 14, 2020 as per Section 7(1) under Rule-12-B (3) and (4) of the Factories Act 1948 and Tamil Nadu Factories Rules, 1950, which is valid up to October 13, 2023 ;
  - viii. Registration dated June 8, 2022 (bearing reference number CLA/R/KNG00299), under Contract Labour (Regulation and Abolition) Act, 1970.
4. Manufacturing facility located at Mahindra World City, Chengalpattu, Kancheepuram District, Tamil Nadu, India
- i. Registration and license to work a factory dated October 20, 2021 (bearing reference number KPM08325) issued under the Factories Act, 1948 read with Tamil Nadu Factories Rules, 1950, which is valid up to December 31, 2023;
  - ii. Fire service license dated December 28, 2022 (bearing reference number 1493/2022), under Section 13 of the Tamil Nadu Fire Service Act 1985 read with Tamil Nadu Fire Service Rules 1990 Appendix III, which is valid up to December 27, 2023;
  - iii. Consent dated February 9, 2021 (bearing reference number 2108236642969), for operation of the plant and discharge of emissions under Section 21 of the Air Act, which is valid up to March 31, 2025;
  - iv. Consent dated February 9, 2021 (bearing reference number 2108136642969), for the operation of the plant and discharge of sewage and/or trade effluent under Section 25 of the Water Act, which is valid up to March 31, 2025;
  - v. Consent dated February 4, 2022 (bearing reference number 22HFZ41174242), under Rule 6 of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which is valid up to March 31, 2026;
  - vi. License dated February 23, 2017 (bearing reference number KPM 1317/CEIG/D5/SC/2016-2), under Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010;
  - vii. Certificate of Building Stability dated June 18, 2021 as per Section 7(1) under Rule-12-B (3) and (4) of the Factories Act 1948 and Tamil Nadu Factories Rules, 1950, which is valid up to June 17, 2024;
  - viii. Registration dated August 23, 2023 (bearing reference number CLA/L/KPM08325/001), under Contract Labour (Regulation and Abolition) Act, 1970.

***Labour Related Approvals***

1. Registration for employees' provident fund with the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 with code number TN/AMB/0004542000.
2. Registrations for employees' insurance with the relevant regional office of the Employees State Insurance Corporation under the Employees' State Insurance Act, 1948 with code numbers 51000090660000600 and 63000951910000600.

**A. *Material approvals or renewals applied for but not received by our Company***

1. We have filed two applications for renewal of fire licenses in relation to our manufacturing facility located at Sipcot Industrial Estate, Oragadam, Sriperumbudur Taluk, Kancheepuram District, Tamil Nadu.

**B. *Material approvals expired and renewal to be applied for by our Company***

As on the date of this Information Memorandum, there are no expired material approvals for which renewal applications have not been made by our Company.

**C. *Material approvals required but not obtained by our Company***

As on the date of this Information Memorandum, there are no required material approvals which have not been obtained by our Company.

***Intellectual Property Rights***

For details on the intellectual property rights owned by our Company, please see "*Our Business – Intellectual Property Rights*" on page 52.

**II. Material approvals in relation to the Subsidiaries**

1. Business license dated April 18, 2023 (bearing reference number 23-02626), issued to Sundaram Clayton USA, LLC, which is valid up to April 30, 2024;
2. Business license dated April 18, 2023 (bearing reference number 23-02625), issued to Green Hills Land Holdings, LLC, which is valid up to April 30, 2024; and
3. Business license dated April 18, 2023 (bearing reference number 23-02624), issued to Components Equipment Leasing, LLC, which is valid up to April 30, 2024.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for listing

The Composite Scheme of Arrangement approved by the Board of Directors of Sundaram-Clayton Limited (“**Resulting Company**” or “**our Company**”), TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*) (“**Demerged Company**”), erstwhile TVS Holdings Private Limited (“**Transferor Company 1**”) and erstwhile VS Investments Private Limited (“**Transferor Company 2**”), on February 9, 2022.

The Hon’ble NCLT, Chennai vide its order dated March 6, 2023, approved the Composite Scheme of Arrangement between Demerged Company, Transferor Company 1, Transferor Company 2 and the Resulting Company in accordance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Pursuant to the Composite Scheme of Arrangement, Demerged Company issued cumulative non-convertible redeemable preference shares to its shareholders by way of bonus issue by utilizing its general reserves/retained earnings upon Part II of the Composite Scheme of Arrangement becoming effective from Appointed Date 1; (ii) Transferor Company 1 amalgamated with Demerged Company and the share capital of Demerged Company held by Transferor Company 1 and consideration thereof stood cancelled upon Part III of the Composite Scheme of Arrangement becoming effective from Appointed Date 2; (iii) Transferor Company 2 amalgamated with Demerged Company and the share capital of Demerged Company held by Transferor Company 2 and consideration thereof stood cancelled upon Part IV of the Composite Scheme of Arrangement becoming effective from Appointed Date 3; and (iv) the Demerged Undertaking got transferred and vested into the Resulting Company on a going concern basis and, the paid-up share capital of the Resulting Company held by Demerged Company stood cancelled and reduced and then consequently issued Equity Shares and Preference Shares of the Resulting Company to the shareholders of Demerged Company upon Part V of the Composite Scheme of Arrangement becoming effective from Appointed Date 4. The consideration for the demerger of the Demerged Undertaking is the issue by the Resulting Company of one fully paid-up Equity Share of the Resulting Company having face value of ₹5 each for one fully paid-up equity share of ₹5 each of the Demerged Company and one fully paid-up Preference Share of the Resulting Company having a face value of ₹10 each for every 1,000 preference shares of ₹10 each of the Demerged Company.

Observations letters from BSE and NSE in relation to the Composite Scheme of Arrangement were granted vide their letters, each dated July 29, 2022, respectively.

In accordance with the Composite Scheme of Arrangement, the Equity Shares of our Company, allotted pursuant to the Composite Scheme of Arrangement, shall be listed and admitted to trading on BSE and NSE. Such admission and listing are not automatic and will be subject to fulfilment by our Company of the respective listing criteria of the Stock Exchanges and such other terms and conditions as may be prescribed by the respective Stock Exchanges at the time of the application made by our Company seeking approval for listing.

### Eligibility criterion

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations are not applicable. SEBI *vide* SEBI Circular has, subject to certain conditions, permitted unlisted issuer companies to make an application for relaxation from strict enforcement of clause (b) to sub-rule (2) of Rule 19 of the SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR. SEBI, *vide* its letter no. SEBI/HO/CFD/RAC/DCR-2/P/OW/50508/2023 dated December 11, 2023, granted relaxation from the strict enforcement of clause (b) to sub-rule (2) of Rule 19 of SCRR under sub-rule (7) of Rule 19 of the SCRR. Our Company will submit the Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

Our Company shall make the Information Memorandum available on its website at [www.sundaram-clayton.com](http://www.sundaram-clayton.com). Our Company will publish an advertisement in the newspapers containing its details as per the SEBI Circular, drawing specific reference to the availability of this Information Memorandum on our Company’s website.

### Prohibition by Securities and Exchange Board of India

As on the date of this Information Memorandum, our Company, Directors, Promoters, Promoter Group and persons in control of our Company are not prohibited from accessing the capital markets or debarred from buying, selling, or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

#### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

#### **Association with the Securities Market**

Further, none of the Directors of our Company are associated with the securities market in any manner. Further, other than as disclosed in this Information Memorandum, SEBI has not initiated any action against any entity, with whom the Directors of our Company are associated in the past five years preceding the date of this Information Memorandum.

#### **Declaration as wilful defaulter by Reserve Bank of India**

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

#### **Fugitive Economic Offences**

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

#### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of this Information Memorandum will be subject to the jurisdiction of appropriate court(s) of Chennai, Tamil Nadu only.

#### **Disclaimer Clause of the BSE**

As required, a copy of this Information Memorandum has been submitted to BSE. BSE vide its letter bearing reference no. DCS/AMAL/MJ/IP/2429/2022-23 dated July 29, 2022, approved the Composite Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity Shares are proposed to be listed.

#### **Disclaimer Clause of the NSE**

As required, a copy of this Information Memorandum has been submitted to NSE. NSE has vide its letter bearing reference no. NSE/LIST/30196\_II dated July 29, 2022, approved the Composite Scheme of Arrangement under Regulation 37 of the SEBI Listing Regulations and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the Stock Exchanges on which our Company's Equity Shares are proposed to be listed.

#### **General Disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisements to be published in terms of Annexure A Part II (A) Clause 5 of the SEBI Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

#### **Listing**

Applications have been made to BSE and NSE for an official quotation of the Equity Shares of our Company. Our Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above within a period as approved by SEBI.

#### **Listing approval from BSE and NSE**

Our Company has obtained in-principle listing approvals from BSE and NSE on November 22, 2023 and November 02, 2023 respectively. Our Company shall make the applications for final listing and trading approvals from BSE and NSE.

#### **Exemption under securities laws**

Our Company was granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 by the SEBI *vide* the letter no. SEBI/HO/CFD/RAC/DCR-2/P/OW/50508/2023 dated December 11, 2023 .

#### **Filing**

A copy of this Information Memorandum has been filed with BSE and NSE.

#### **Demat Credit**

Our Company has executed a tripartite agreement with the Depositories i.e., NSDL and CDSL, on June 7, 2023, respectively for admitting our Equity Shares in dematerialized form. The ISIN allotted to the Equity Shares of our Company is INE0Q3R01026. Our Company has credited the new Equity Shares to depository participant accounts of the Equity Shareholders whose name is recorded in the register of members and records of the depository as members of Demerged Company as on the Record Date 2 on September 18, 2023 through CDSL and on September 21, 2023 through NSDL.

#### **Expert opinions**

We have not obtained any expert opinions for the purpose of this Information Memorandum.

Our Company has received written consent dated September 28, 2023, from M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, our Statutory Auditors, to include their name as required under Section 26 of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Information Memorandum, and as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditors, and in respect of the examination report dated September 27, 2023 issued by them on our Restated Consolidated Financial Information issued by them and included in this Information Memorandum and such consent has not been withdrawn as on the date of this Information Memorandum.

#### **Particulars regarding public or rights issues by our Company during the last five years**

Our Company has not made any public or rights issues during the five years preceding the date of this Information Memorandum.

#### **Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares**

No sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Information Memorandum.

#### **Capital issue during the previous three years by our Company, listed Group Companies and listed Subsidiaries of our Company**

Our Company has not undertaken a capital issue to the public in the last three years preceding the date of this Information Memorandum. Further, except TVS Motor Company Limited and TVS Credit Services Limited, none



of our Subsidiaries and Group Companies are listed on any Stock Exchange as on the date of this Information Memorandum.

#### **Performance vis-à-vis objects – public/rights issue of our Company**

This is the first time the Equity Shares of our Company will be listed on the Stock Exchanges.

#### **Performance vis-à-vis objects – Public/rights issue of the listed Subsidiaries/promoter**

As on the date of this Information Memorandum, T.V. Sundram Iyengar & Sons Private Limited and our Subsidiaries are not listed on any Stock Exchange.

#### **Stock market data of Equity Shares of our Company**

The Equity Shares of our Company are not listed on any Stock Exchanges.

#### **Disposal of investor grievances**

Integrated Registry Management Services Private Limited is the Registrar and Share Transfer Agent of our Company to accept the documents/requests/complaints from the investors/Shareholders of our Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. Our Company has set up service standards for each of the various processes involved such as effecting the transfer/dematerialization of securities/change of address. Our Company estimates that the average time required by us or the Registrar and Share Transfer Agent for redressal of investor grievances shall be 21 working days from the date of receipt of complaint.

Shareholders can express their grievances by sending mails to corpsec@sundaramclayton.com or raise complaints in SCORES (common portal introduced by SEBI). Further, the Shareholders can also raise their grievances with our Company Secretary. As on the date of this Information Memorandum our Company, has not received any investor complaints since incorporation.

As on the date of this Information Memorandum, there are no investor complaints pending in respect of our listed Group Companies being, TVS Motor Company Limited and TVS Credit Services Limited.

Mr. P D Dev Kishan is the Company Secretary and Compliance Officer of our Company and is vested with the responsibility of addressing the investor grievance(s) in coordination with Registrar & Share Transfer Agent.

#### **Company Secretary and Compliance Officer**

##### **Mr. P D Dev Kishan**

Chaitanya, No.12  
Khader Nawaz Khan Road  
Nungambakkam  
Chennai – 600 006  
Tamil Nadu, India  
**Tel:** 044-2833 2115  
**E-mail:** dev.kishan@sundaramclayton.com

#### **Capitalisation of reserves or profits or revaluation of assets**

There has been no capitalization of our reserves or profits or revaluation of our assets since incorporation to the date of this Information Memorandum.

#### **Outstanding debenture or bonds or redeemable preference shares or other instruments issued by our Company**

As on date of this Information Memorandum, there are no outstanding debenture or bonds or redeemable preference shares or other instruments by our Company.

## SECTION VIII – OTHER INFORMATION

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

**THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
SUNDARAM-CLAYTON LIMITED<sup>(1)</sup>  
(Incorporated under the Companies Act, 2013)**

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the Extraordinary General Meeting of Sundaram-Clayton Limited (the “**Company**”) held on 24th July 2023. These Articles have been adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.

#### PRELIMINARY

1. The regulations contained in the Table marked ‘F’ in Schedule I to the Companies Act, 2013, as amended from time to time, shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.
2. The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, as amended from time to time, be such as are contained in these Articles.

#### DEFINITIONS AND INTERPRETATION

3. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

“**Act**” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

“**Annual General Meeting**” means the annual general meeting of the Company convened and held in accordance with the Act;

“**Articles of Association**” or “**Articles**” mean these articles of association of the Company, as may be altered from time to time in accordance with the Act;

“**Board**” or “**Board of Directors**” means the board of directors of the Company in office at applicable times;

“**Company**” means Sundaram-Clayton Limited, a company incorporated under the laws of India;

*(1) Name Changed from Sundaram-Clayton DCD Limited into Sundaram-Clayton Limited vide the approval of the Registrar of Companies, pursuant to Clause 39.1 of the Composite Scheme of Arrangement amongst TVS Holdings Limited (formerly Sundaram-Clayton Limited), TVS Holdings Private Limited, VS Investments Private Limited and Sundaram-Clayton DCD Limited and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 sanctioned by the Hon'ble National Company Law Tribunal vide its order dated 6th March, 2023.*

“**Depository**” means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Act and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

“**Director**” means any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with and the provisions of these Articles;

“**Equity Shares or Shares**” means the issued, subscribed and fully paid-up equity shares of the Company of Rs. 5/- (Rupee Five only) each;

“**Exchange**” means BSE Limited and the National Stock Exchange of India Limited;

“**Extraordinary General Meeting**” means an extraordinary general meeting of the Company convened and held in accordance with the Act;

“**General Meeting**” means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

“**Member**” means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

“**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, as may be altered from time to time;

“**Office**” means the registered office, for the time being, of the Company;

“**Officer**” shall have the meaning assigned thereto by the Act;

“**Ordinary Resolution**” shall have the meaning assigned thereto by the Act;

“**Register of Members**” means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository; and

“**Special Resolution**” shall have the meaning assigned thereto by the Act.

4. Except where the context requires otherwise, these Articles will be interpreted as follows:

(a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles;

(b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

(c) words importing the singular shall include the plural and vice versa;

(d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

(e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

(f) the ejusdem generis (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, **include** and **including** will be read without limitation;

(g) any reference to a **person** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;

(h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

(i) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified;

(j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:

(i) that statute or statutory provision as from time to time consolidated, modified, re-enacted or replaced by any other statute or statutory provision; and

(ii) any subordinate legislation or regulation made under the relevant statute or statutory provision.

(k) references to writing include any mode of reproducing words in a legible and nontransitory form; and

(l) references to **Rupees, Re., Rs., INR, ₹** are references to the lawful currency of India.

## **SHARE CAPITAL AND VARIATION OF RIGHTS**

### **5. AUTHORISED SHARE CAPITAL**

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

### **6. NEW CAPITAL PART OF THE EXISTING CAPITAL**

Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

### **7. KINDS OF SHARE CAPITAL**

The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

(a) Equity share capital:

(i) with voting rights; and/or

(ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and

(b) Preference share capital.

All Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.

### **8. SHARES AT THE DISPOSAL OF THE DIRECTORS**

Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

### **9. CONSIDERATION FOR ALLOTMENT**

The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.

### **10. SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CERTIFICATE**

Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) 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;

(c) cancel 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 the shares so cancelled;

(d) 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 Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

#### **11. FURTHER ISSUE OF SHARES**

(1) Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(A)

(i) To the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or such lesser number of days as may be prescribed under applicable Indian law and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall 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;

(iii) 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 referred to in sub-clause(ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(B) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under applicable law; or

(C) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to compliance with the applicable conditions of Chapter III of the Act and any other conditions as may be prescribed under the Act and the rules made thereunder;

(2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company;

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the Company in a General Meeting.

(4) Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to national company law tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

(5) In determining the terms and conditions of conversion under Article 11 (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

(6) Where the Government has, by an order made under Article 11 (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the national company law tribunal under Article 11 (4) or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, stand altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

#### **12. ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES**

Any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

#### **13. RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT**

The Board shall observe the restrictions as regards allotment of shares to the public contained in the Act, and as regards return on allotments, the Directors shall comply with applicable provisions of the Act.

#### **14. MONEY DUE ON SHARES TO BE A DEBT TO THE COMPANY**

The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

#### **15. INSTALLMENTS ON SHARES**

If, by the conditions of allotment of any shares, whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share or his legal representative.

#### **16. MEMBERS OR HEIRS TO PAY UNPAID AMOUNTS**

Every Member or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall from time to time, in accordance with these Articles require or fix for the payment thereof.

#### **17. VARIATION OF SHAREHOLDERS' RIGHTS**

(a) If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.

(b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

## **18. PREFERENCE SHARES**

### **(a) Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act, and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

### **(b) Convertible Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis, convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such securities on such terms as they may deem fit.

## **19. PAYMENTS OF INTEREST OUT OF CAPITAL**

The Company shall have the power to pay interest out of its capital on so much of the shares which have been issued for the purpose of raising money to defray the expenses of the construction of any work or building for the Company in accordance with the Act.

## **20. AMALGAMATION**

Subject to provisions of these Articles, the Company may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate subject to the provisions of the Act.

## **SHARE CERTIFICATES**

### **21. ISSUE OF CERTIFICATE**

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying ₹20 (Indian Rupees Twenty)) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders. Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a Director and the company secretary, wherever the Company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

### **22. RULES TO ISSUE SHARE CERTIFICATES**

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the Act.

### **23. ISSUE OF NEW CERTIFICATE IN PLACE OF ONE DEFACED, LOST OR DESTROYED**

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed the maximum amount permitted under the applicable law). Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

## **UNDERWRITING & BROKERAGE**

### **24. COMMISSION FOR PLACING SHARES, DEBENTURES, ETC.**

(a) Subject to the provisions of the Act and other applicable laws, the Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) to any shares or debentures of the Company or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares or debentures of the Company and provisions of the Act shall apply.

(b) The Company may also, in any issue, pay such brokerage as may be lawful.

(c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

## **LIEN**

### **25. COMPANY'S LIEN ON SHARES / DEBENTURES**

The Company shall subject to applicable law have a first and paramount lien on every share / debenture (not being a fully paid share / debenture) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture. Unless otherwise agreed, the registration of transfer of shares / debentures shall operate as a waiver of the Company's lien, if any, on such shares / debentures.

Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The fully paid up shares shall be free from all lien on any account whatsoever and in the case of partly paid up shares, if any, the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

### **26. LIEN TO EXTEND TO DIVIDENDS, ETC.**

The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares / debentures.

### **27. ENFORCING LIEN BY SALE**

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien: Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen (14) days' after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise. No Member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### **28. VALIDITY OF SALE**

To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

### **29. VALIDITY OF COMPANY'S RECEIPT**

The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case maybe) constitute a good title to the share and the purchaser shall be registered as the holder of the share.

### **30. APPLICATION OF SALE PROCEEDS**

The proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

### **31. OUTSIDER'S LIEN NOT TO AFFECT COMPANY'S LIEN**

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required



by law) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

**32. PROVISIONS AS TO LIEN TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to lien shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

**CALLS ON SHARES**

**33. BOARD TO HAVE RIGHT TO MAKE CALLS ON SHARES**

The Board may subject to the provisions of the Act and any other applicable law, from time to time, make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares (whether on account of the nominal value of the shares or by premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. A call may be revoked or postponed at the discretion of the Board. The power to call on shares shall not be delegated to any other person except with the approval of the shareholders' in a General Meeting.

**34. NOTICE FOR CALL**

Each Member shall, subject to receiving at least fourteen (14) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more Members as the Board may deem appropriate in any circumstances.

**35. CALL WHEN MADE**

The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call, and thereupon the call shall be deemed to have been made on the date so determined and if no such date is so determined a call shall be deemed to have been made at the date when the resolution authorizing such call was passed at the meeting of the Board and may be required to be paid in installments.

**36. LIABILITY OF JOINT HOLDERS FOR A CALL**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

**37. CALLS TO CARRY INTEREST**

If a Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at the rate of ten percent or such other lower rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Member. The Board shall be at liberty to waive payment of any such interest wholly or in part.

**38. DUES DEEMED TO BE CALLS**

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

**39. EFFECT OF NON-PAYMENT OF SUMS**

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**40. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST**

The Board –

(a) may, subject to provisions of the Act, if it thinks fit, agree to and receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as as may be agreed upon between the Board and the Member paying the sum in advance. Nothing contained in this Article shall confer on the Member (i) any right to participate in profits or

dividends; or (ii) any voting rights in respect of the moneys so paid by him, until the same would, but for such payment, become presently payable by him. The Directors may at any times repay the amount so advanced.

**41. PROVISIONS AS TO CALLS TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

**FORFEITURE OF SHARES**

**42. BOARD TO HAVE A RIGHT TO FORFEIT SHARES**

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

**43. NOTICE FOR FORFEITURE OF SHARES**

The notice aforesaid shall:

(a) name a further day (not being earlier than the expiry of fourteen days from the date of services of the notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

**44. RECEIPT OF PART AMOUNT OR GRANT OF INDULGENCE NOT TO AFFECT FORFEITURE**

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable law.

**45. FORFEITED SHARE TO BE THE PROPERTY OF THE COMPANY**

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

**46. ENTRY OF FORFEITURE IN REGISTER OF MEMBERS**

When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and any entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.

**47. MEMBER TO BE LIABLE EVEN AFTER FORFEITURE**

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

**48. EFFECT OF FORFEITURE**

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

#### **49. CERTIFICATE OF FORFEITURE**

A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

#### **50. TITLE OF PURCHASER AND TRANSFEREE OF FORFEITED SHARES**

The Company may receive the consideration, if any, given for the share on any sale, allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

#### **51. VALIDITY OF SALES**

Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and after his name has been entered in the Register of Members in respect of such shares the validity of the sale shall not be impeached by any person.

#### **52. CANCELLATION OF SHARE CERTIFICATE IN RESPECT OF FORFEITED SHARES**

Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

#### **53. BOARD ENTITLED TO CANCEL FORFEITURE**

The Board may at any time before any share so forfeited shall have them sold, reallocated or otherwise disposed of, cancel the forfeiture thereof upon such conditions as it thinks fit.

#### **54. SURRENDER OF SHARE CERTIFICATES**

The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering them on such terms as they think fit.

#### **55. SUMS DEEMED TO BE CALLS**

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **56. PROVISIONS AS TO FORFEITURE OF SHARES TO APPLY MUTATIS MUTANDIS TO DEBENTURES, ETC.**

The provisions of these Articles relating to forfeiture of shares shall *mutatis mutandis* apply to any other securities, including debentures, of the Company.

#### **TRANSFER AND TRANSMISSION OF SHARES**

##### **57. REGISTER OF TRANSFERS**

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

##### **58. ENDORSEMENT OF TRANSFER**

In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

##### **59. INSTRUMENT OF TRANSFER**

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case

of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(b) The Board may decline to recognize any instrument of transfer unless-

- (i) the instrument of transfer is in the form prescribed under the Act;
- (ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
- (iii) the instrument of transfer is in respect of only one class of shares.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

#### **60. EXECUTION OF TRANSFER INSTRUMENT**

Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

#### **61. CLOSING REGISTER OF TRANSFERS AND OF MEMBERS**

Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

#### **62. DIRECTORS MAY REFUSE TO REGISTER TRANSFER**

Subject to the provisions of these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares.

#### **63. TRANSFER OF PARTLY PAID SHARES**

Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

#### **64. TITLE TO SHARES OF DECEASED MEMBERS**

The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

#### **65. TRANSFERS NOT PERMITTED**

No share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

#### **66. TRANSMISSION OF SHARES**

Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of

which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

#### **67. RIGHTS ON TRANSMISSION**

A person becoming entitled to a share by reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

#### **68. SHARE CERTIFICATES TO BE SURRENDERED**

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

#### **69. COMPANY NOT LIABLE TO NOTICE OF EQUITABLE RIGHTS**

The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **70. TRANSFER AND TRANSMISSION OF DEBENTURES**

The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

#### **ALTERATION OF CAPITAL**

##### **71. RIGHTS TO ISSUE SHARE WARRANTS**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

##### **72. BOARD TO MAKE RULES**

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

##### **73. SHARES MAY BE CONVERTED INTO STOCK**

Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“Member” shall include “stock” and “stock-holder” respectively.

#### **74. REDUCTION OF CAPITAL**

The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, (a) cancel paid up share capital which is lost or is unrepresented by available assets; or (b) pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

#### **75. DEMATERIALISATION OF SECURITIES**

(a) The Company shall recognise interest in dematerialised securities under the Depositories Act, 1996.

Subject to the provisions of the Act, either the Company or the investor may exercise an option to issue (in case of the Company only), deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, 1996 as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable law.

(b) Dematerialisation/Re-materialisation of securities

Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialise its existing securities, re-materialise its securities held in Depositories and/or offer its fresh securities in the dematerialised form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

(c) Option to receive security certificate or hold securities with the Depository

Every person subscribing to or holding securities of the Company shall have the option to receive the security certificate or hold securities with a Depository. Where a person opts to hold a security with the Depository, the Company shall intimate such Depository of the details of allotment of the security and on receipt of such information, the Depository shall enter in its record, the name of the allottees as the beneficial owner of that security.

(d) Securities in electronic form

All securities held by a Depository shall be dematerialized and held in electronic form. No certificate shall be issued for the securities held by the Depository.

(e) Beneficial owner deemed as absolute owner

Except as ordered by a court of competent jurisdiction or by applicable law required and subject to the provisions of the Act, the Company shall be entitled to treat the person whose name appears on the applicable register as the holder of any security or whose name appears as the beneficial owner of any security in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such securities or (except only as by these Articles otherwise expressly provided) any right in respect of a security other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any security in the joint names of any two or more persons or the survivor or survivors of them.

(f) Register and index of beneficial owners

The Company shall cause to be kept a register and index of members with details of securities held in materialised and dematerialised forms in any media as may be permitted by law including any form of electronic media. The register and index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members, resident in that state or country.

#### **76. BUY BACK OF SHARES**

Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

##### **77. ANNUAL GENERAL MEETINGS**

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

##### **78. EXTRAORDINARY GENERAL MEETINGS**

All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

##### **79. EXTRAORDINARY MEETINGS ON REQUISITION**

The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

##### **80. NOTICE FOR GENERAL MEETINGS**

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. Notice shall be given to all the Members and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings.

The Members may participate in General Meetings through such modes as permitted by applicable laws.

##### **81. SHORTER NOTICE ADMISSIBLE**

Upon compliance with the relevant provisions of the Act, an Annual General Meeting or any General Meeting may be convened by giving a shorter notice than twenty one (21) days.

##### **82. CIRCULATION OF MEMBERS' RESOLUTION**

The Company shall comply with provisions of Section 111 of the Act, as to giving notice of resolutions and circulating statements on the requisition of Members.

##### **83. SPECIAL AND ORDINARY BUSINESS**

(a) Subject to the provisions of the Act, all business shall be deemed special that is transacted at the Annual General Meeting with the exception of declaration of any dividend, the consideration of financial statements and reports of the Directors and auditors, the appointment of Directors in place of those retiring and the appointment of and fixing of the remuneration of the auditors. In case of any other meeting, all business shall be deemed to be special.

(b) In case of special business as aforesaid, an explanatory statement as required under the applicable provisions of the Act shall be annexed to the notice of the meeting.

#### **84. QUORUM FOR GENERAL MEETING**

Five (5) Members or such other number of Members as required under the Act or the applicable law for the time being in force prescribes, personally present shall be quorum for a General Meeting and no business shall be transacted at any General Meeting unless the requisite quorum is present at the commencement of the meeting.

#### **85. TIME FOR QUORUM AND ADJOURNMENT**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting, a quorum is not present, the meeting, if called upon the requisition of Members, shall be cancelled and in any other case, it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting also a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be quorum and may transact the business for which the meeting was called.

#### **86. CHAIRMAN OF GENERAL MEETING**

The chairman, if any, of the Board of Directors shall preside as chairman at every General Meeting of the Company.

#### **87. ELECTION OF CHAIRMAN**

Subject to the provisions of the Act, if there is no such chairman or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the Directors present shall elect another Director as chairman and if no Director be present or if all the Directors decline to take the chair, then the Members present shall choose a Member to be the chairman.

#### **88. ADJOURNMENT OF MEETING**

Subject to the provisions of the Act, the chairman of a General Meeting may, with the consent given in the meeting at which a quorum is present (and shall if so directed by the meeting) adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When the meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as nearly to the original meeting, as may be possible. Save as aforesaid and as provided in Section 103 of the Act, it shall not be necessary to give any notice of adjournment of the business to be transacted at an adjourned meeting.

#### **89. VOTING AT MEETING**

At any General Meeting, a demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand. Further, no objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairperson of the General Meeting, whose decision shall be final and conclusive.

#### **90. DECISION BY POLL**

If a poll is duly demanded in accordance with the provisions of the Act, it shall be taken in such manner as the chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.

#### **91. CASTING VOTE OF CHAIRMAN**

In case of equal votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Member.

#### **92. PASSING RESOLUTIONS BY POSTAL BALLOT**

(a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Act, to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company.



(b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under the Act.

(c) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.

#### **VOTE OF MEMBERS**

##### **93. VOTING RIGHTS OF MEMBERS**

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) 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.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

##### **94. VOTING BY JOINT-HOLDERS**

In case of joint holders the vote of 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 other joint holders.

##### **95. VOTING BY MEMBER OF UNSOUND MIND**

A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or legal guardian may, on a poll, vote by proxy.

##### **96. NO RIGHT TO VOTE UNLESS CALLS ARE PAID**

No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.

##### **97. PROXY**

Any Member entitled to attend and vote at a General Meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.

##### **98. INSTRUMENT OF PROXY**

An instrument appointing a proxy shall be in the form as prescribed under the Act for this purpose. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing or if appointed by a body corporate either under its common seal or under the hand of its officer or attorney duly authorized in writing by it. Any person whether or not he is a Member of the Company may be appointed as a proxy. The instrument appointing a proxy and power of attorney or other authority (if any) under which it is signed or a notarized copy of that power or authority must be deposited at the Office of the Company not less than forty eight (48) hours prior to the time fixed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

##### **99. VALIDITY OF PROXY**

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

##### **100. CORPORATE MEMBERS**

Any corporation which is a Member of the Company may, by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Member of the Company (including the right to vote by proxy).

## **DIRECTOR**

### **101. NUMBER OF DIRECTORS**

Unless otherwise determined by General Meeting, the number of Directors shall not be less than six (6) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) Directors after passing a Special Resolution.

The following shall be the first Directors of the Company: (i) Mr. V Gopalakrishnan (DIN: 03291640); and (ii) Mr. N Srinivasa Ramanujam (DIN: 07384809).

### **102. SHARE QUALIFICATION NOT NECESSARY**

Any person whether a Member of the Company or not may be appointed as Director and no qualification by way of holding shares shall be required of any Director.

### **103. ADDITIONAL DIRECTORS**

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

### **104. ALTERNATE DIRECTORS**

(a) The Board may, subject to provisions of the Act, appoint a person, not being a person holding any alternate directorship for any other Director in the Company or holding directorship in the Company, to act as an alternate director for a Director during his absence for a period of not less than 3 (three) months from India (hereinafter in this Article called the “**Original Director**”).

(b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the alternate director.

### **105. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY**

If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next General Meeting. The Director so appointed shall hold office only up to the date which the Director in whose place he is appointed would have held office if it had not been vacated.

### **106. REMUNERATION OF DIRECTORS**

(a) A Director (other than a managing Director or whole-time Director) may receive sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

(b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company’s business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

(c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

### **107. REMUNERATION FOR EXTRA SERVICES**

If any Director, being willing, shall be called upon to perform extra services or to make any special exertions (which expression shall include work done by Director as a Member of any committee formed by the Directors) in going or residing away from the town in which the Office of the Company may be situated for any purposes of

the Company or in giving any special attention to the business of the Company or as member of the Board, then subject to the provisions of the Act, the Board may remunerate the Director so doing either by a fixed sum, or by a percentage of profits or otherwise and such remuneration, may be either in addition to or in substitution for any other remuneration to which he may be entitled.

#### **108. CONTINUING DIRECTOR MAY ACT**

The continuing Directors may act notwithstanding any vacancy in the Board, but if the number is reduced below three, the continuing Directors or Director may act for the purpose of increasing the number of Directors to three or for summoning a General Meeting of the Company, but for no other purpose.

#### **109. VACATION OF OFFICE OF DIRECTOR**

The office of a Director shall be deemed to have been vacated under the circumstances enumerated under Act.

#### **ROTATION AND RETIREMENT OF DIRECTOR**

##### **110. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR**

The Board shall have the power to determine the directors, whose period of office is or is not liable to retire by rotation. At the Annual General Meeting of the Company to be held every year, one-third of such of the Directors as are liable to retire by rotation for the time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

An Independent Director appointed under Section 149 of the Act, 2013 shall not be subject to retirement by rotation under this Article.

##### **111. RETIRING DIRECTORS ELIGIBLE FOR RE-ELECTION**

A retiring Director shall be eligible for re-election and the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid, may fill up the vacated office by electing a person thereto.

##### **112. WHICH DIRECTOR TO RETIRE**

The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lots.

##### **113. POWER TO REMOVE DIRECTOR BY ORDINARY RESOLUTION**

Subject to the provisions of the Act, the Company may by an Ordinary Resolution in General Meeting, remove any Director before the expiration of his period of office and may, by an Ordinary Resolution, appoint another person instead. Provided that an independent director re-appointed for second term under the provisions of the Act shall be removed by the Company only by passing a Special Resolution and after giving him a reasonable opportunity of being heard.

##### **114. DIRECTORS NOT LIABLE FOR RETIREMENT**

The Company in General Meeting may, when appointing a person as a Director declare that his continued presence on the Board of Directors is of advantage to the Company and that his office as Director shall not be liable to be determined by retirement by rotation for such period until the happening of any event of contingency set out in the said resolution.

##### **115. DIRECTOR FOR COMPANIES PROMOTED BY THE COMPANY**

Directors of the Company may be or become a director of any company promoted by the Company or in which it may be interested as vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a director or member of such company subject to compliance with applicable provisions of the Act.

#### **PROCEEDINGS OF BOARD OF DIRECTORS**

##### **116. MEETINGS OF THE BOARD**

(a) The Board of Directors shall meet at least once in every three (3) months with a maximum gap of four (4) months between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

(b) The chairman may, at any time, and the secretary or such other Officer of the Company as may be authorised in this behalf on the requisition of Director shall at any time summon a meeting of the Board. Notice of at least

seven (7) days in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad, provided always that a meeting may be convened by a shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting and in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

(c) The notice of each meeting of the Board shall include (i) the time for the proposed meeting; (ii) the venue for the proposed meeting; and (iii) an agenda setting out the business proposed to be transacted at the meeting.

(d) To the extent permissible by applicable law, the Directors may participate in a meeting of the Board or any committee thereof, through electronic mode, that is, by way of video conferencing i.e., audio visual electronic communication facility. The notice of the meeting must inform the Directors regarding the availability of participation through video conferencing. Any Director participating in a meeting through the use of video conferencing shall be counted for the purpose of quorum.

#### **117. QUESTIONS AT BOARD MEETING HOW DECIDED**

Questions arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the vice chairman or the Director presiding shall have a second or casting vote.

#### **118. QUORUM**

Subject to the provisions of the Act and other applicable law, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

At any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of remaining Directors, that is to say the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. The term 'interested director' means any Director whose presence cannot, by reason of applicable provisions of the Act be counted for the purpose of forming a quorum at meeting of the Board, at the time of the discussion or vote on the concerned matter or resolution.

#### **119. ADJOURNED MEETING**

Subject to the provisions of the Act, if within half an hour from the time appointed for a meeting of the Board, a quorum is not present, the meeting, shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine.

#### **120. CHAIRMAN**

(a) Mr. V Gopalakrishnan was the first Chairman of the Board. The Board may, from time to time, appoint one of their Directors as Chairman of the Board for such period as may be considered necessary.

(b) The Chairman of the Board shall be entitled to take the chair at every meeting of the Board. If at any meeting of the Board, he / she shall not be present within 30 (thirty) minutes of the time appointed for holding such meeting or if he / she shall be unable or unwilling to take the chair, then the managing director shall be entitled to take the chair, and failing him / her, the Directors present may choose, one of their number to be the Chairman of that meeting.

(c) Notwithstanding anything contrary contained in the Articles of Association, the Board shall have the power to appoint the same individual to hold and occupy both the positions of chairman and managing director or chief executive officer (CEO) or such equivalent managerial position thereof, in the Company.

#### **121. ELECTION OF CHAIRMAN OF BOARD**

(a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.

(b) If no such chairman is elected or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

### **122. CHAIRMAN EMERITUS/ MENTOR**

(a) The Board shall have power to appoint suitable persons who have made or are likely to render significant or distinguished services to the Company or to the industry to which the Company's business relates or in the public field, or in recognition of their status in the community as the Chairman Emeritus of the Company, to guide the Board.

(b) The Chairman Emeritus shall hold office until such time as shall be decided by the Board.

(c) The Chairman Emeritus shall be entitled to receive notice of and to attend Board / Committee Meetings of the Company but shall not be entitled to vote thereat and shall not be deemed to be a party to any decision of the Board or Committee thereof.

(d) The Chairman Emeritus shall not be deemed to be a director for any purposes of the Act or any other statute or rules made there under or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.

(e) The Board may decide to make any payment in any manner for any services rendered by the Chairman Emeritus to the Company.

(f) If at any time the Chairman Emeritus is appointed as a Director of the Company and he may retain the title of Chairman Emeritus.

### **123. POWERS OF DIRECTORS**

(a) The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other applicable law, or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting, subject nevertheless to these Articles, to the provisions of the Act or any other applicable law and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in a General Meeting; but no regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

(b) All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case maybe, by such person and in such manner as the Board shall from time to time by resolution determine.

### **124. DELEGATION OF POWERS**

(a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such members of its body as it thinks fit.

(b) Any committee so formed shall, in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.

### **125. ELECTION OF CHAIRMAN OF COMMITTEE**

(a) A committee may elect a chairman of its meeting. If no such chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be the chairman of the committee meeting.

(b) The quorum of a committee may be fixed by the Board of Directors.

### **126. QUESTIONS HOW DETERMINED**

(a) A committee may meet and adjourn as it thinks proper.

(b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present as the case may be and in case of equality of vote, the chairman shall have a second or casting vote, in addition to his vote as a member of the committee.

### **127. VALIDITY OF ACTS DONE BY BOARD OR A COMMITTEE**

All acts done by any meeting of the Board, of a committee thereof, or by any person acting as a Director shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or

more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified be as valid as if even such Director or such person has been duly appointed and was qualified to be a Director.

### **128. RESOLUTION BY CIRCULATION**

Save as otherwise expressly provided in the Act, a resolution in writing circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the committee then in India, not being less in number than the quorum fixed of the meeting of the Board or the committee, as the case may be and to all other Directors or Members at their usual address in India and approved by such of the Directors as are then in India or by a majority of such of them as are entitled to vote at the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or committee duly convened and held.

### **129. MAINTENANCE OF FOREIGN REGISTER**

The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of those Sections) make and vary such regulations as it may think fit respecting the keeping of any register.

### **130. BORROWING POWERS**

(a) Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(b) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(c) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interests of the Company.

(d) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

### **131. NOMINEE DIRECTORS**

(a) Subject to the provisions of the Act, so long as any moneys remain owing by the Company to Financial Institutions regulated by the Reserve Bank of India, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any non-banking financial company regulated by the Reserve Bank of India or any such company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures / shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains

outstanding, and if the loan or other agreement with such institution/ corporation/ company (hereinafter referred to as the “**Corporation**”) so provides, the Corporation may, in pursuance of the provisions of any law for the time being in force or of any agreement, have a right to appoint from time to time any person or persons as a Director or Directors wholetime or non whole-time (which Director or Director/s is/are hereinafter referred to as “**Nominee Directors/s**”) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s).

(b) The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board meetings and of the meetings of the committee of which Nominee Director/s is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(c) The Company may pay the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees commission, monies or remuneration in any form is payable to the Directors of the Company the fees, commission, monies and remuneration in relation to such Nominee Director/s may accrue to the nominee appointer and same shall accordingly be paid by the Company directly to the Corporation.

(d) Provided that the sitting fees, in relation to such Nominee Director/s shall also accrue to the appointer and same shall accordingly be paid by the Company directly to the appointer.

### **132. REGISTER OF CHARGES**

The Directors shall cause a proper register to be kept, in accordance with the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to the registration of mortgages and charges therein specified.

### **133. DEBENTURE DIRECTORS**

If it is provided by the trust deed, securing or otherwise, in connection with any issue of debentures of the Company that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as debenture director. A debenture director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture director shall not be liable to retire by rotation.

### **134. MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

(a) The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

(b) The Directors may from time to time resolve that there shall be either one or more managing directors and/ or whole-time directors.

(c) In the event of any vacancy arising in the office of a managing director and/or whole time director, the vacancy shall be filled by the Board of Directors subject to the approval of the Members.

(d) If a managing director and/or whole time director ceases to hold office as Director, he shall ipso facto and immediately cease to be managing director/whole time director.

(e) The managing director and/or whole time director shall not be liable to retirement by rotation as long as he holds office as managing director or whole-time director.

### **135. POWERS AND DUTIES OF MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR**

The managing director/whole time director shall subject to the supervision, control and direction of the Board and subject to the provisions of the Act, exercise such powers as are exercisable under these Articles by the Board of Directors, as they may think fit and confer such power for such time and to be exercised as they may think expedient and they may confer such power either collaterally with or to the exclusion of any such substitution for all or any of the powers of the Board of Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any such powers. The managing Directors/ whole time Directors may exercise all the powers entrusted to them by the Board of Directors in accordance with the Board’s direction.

### **136. REIMBURSEMENT OF EXPENSES**

The managing Directors/whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part-time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

#### **137.**

(a) The board of directors shall have the power to appoint the same individual to hold and occupy both the positions of Chairman and Managing Director or Chief Executive Officer (CEO) or such equivalent managerial position thereof, in the Company.

(b) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.

(c) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

### **138. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER**

Subject to the provisions of the Act —

(a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board.

(b) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Further, an individual may be appointed or reappointed as the chairperson of the Company as well as the managing Director or chief executive officer of the Company at the same time.

(c) A provision of the Act or the Articles requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

### **COMMON SEAL**

#### **139. CUSTODY OF COMMON SEAL**

The Board shall provide for the safe custody of the common seal for the Company and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

#### **140. SEAL HOW AFFIXED**

The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Directors shall provide for the safe custody of the seal for the time being and the seal shall never be used except by or under the authority of the Directors or a committee of the Directors previously given, and in the presence of at least one Director and of the company secretary or such other person duly authorised by the Directors or a committee of the Directors, who shall sign every instrument to which the seal is so affixed in his presence. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad and such powers shall accordingly be vested in the Directors or any other person duly authorized for the purpose.

### **DIVIDEND**

#### **141. COMPANY IN GENERAL MEETING MAY DECLARE DIVIDENDS**

The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

#### **142. INTERIM DIVIDENDS**

Subject to the provisions of the Act, 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.



#### **143. RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

(a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid Dividend Account".

(c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act and the Company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said fund and that authority shall issue a receipt to the Company as evidence of such transfer.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.

(e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

#### **144. DIVISION OF PROFITS**

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

#### **145. DIVIDENDS TO BE APPORTIONED**

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

#### **146. RESERVE FUNDS**

(a) The Board may, before recommending any dividends, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applied 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 think fit.

(b) The Board may also carry forward any profits when it may consider necessary not to divide, without setting them aside as a reserve.

#### **147. DEDUCTION OF ARREARS**

Subject to the Act, no Member shall be entitled to receive payment of any interest or dividend in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever whether alone or jointly with any other person or persons and the Board may deduct from any dividend payable to any Members all sums of money, if any, presently payable by him to the Company on account of the calls or otherwise in relation to the shares of the Company.

#### **148. RETENTION OF DIVIDENDS**

The Board may retain dividends payable upon shares in respect of which any person is, under Articles 57 to 70 hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such shares.

#### **149. RECEIPT OF JOINT HOLDER**

Any one of two or more joint holders of a share may give effective receipt for any dividends, bonuses or other moneys payable in respect of such shares.

### **150. DIVIDEND HOW REMITTED**

Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant or electronic clearance services (ECS) or real time gross settlement (RTGS) or any other mode as may be permissible under the Act or may be sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

### **151. DIVIDENDS NOT TO BEAR INTEREST**

No dividends shall bear interest against the Company.

### **152. TRANSFER OF SHARES AND DIVIDENDS**

Subject to the provisions of the Act, any transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

### **CAPITALISATION OF PROFITS**

#### **153. CAPITALISATION OF PROFITS**

- (a) The Company in General Meeting, may, on recommendation of the Board resolve:
- (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or securities premium account or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in the sub-clause (b) amongst the Members who would have been entitled thereto if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
- (i) paying up any amounts for the time being unpaid on shares held by such Members respectively;
  - (ii) paying up in full, unissued share of the Company to be allotted and distributed, credited as fully paid up, to and amongst such Members in the proportions aforesaid; or
  - (iii) partly in the way specified in sub-clause (i) and partly that specified in sub - clause (ii).
  - (iv) A securities premium account and a capital redemption reserve account or any other permissible reserve account may be applied as permitted under the Act in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
  - (v) The Board shall give effect to the resolution passed by the Company in pursuance of these Articles.

#### **154. POWER OF DIRECTORS FOR DECLARATION OF BONUS ISSUE**

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (ii) generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
- (i) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fractions; and
  - (ii) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or other securities to which they may be entitled upon such capitalization or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalized, of the amount or any parts of the amounts remaining unpaid on their existing shares.
- (c) Any agreement made under such authority shall be effective and binding on such Members.

### **ACCOUNTS**

#### **155. WHERE BOOKS OF ACCOUNTS TO BE KEPT**

The Books of Account shall be kept at the Office or at such other place in India as the Directors think fit, in accordance with the applicable provisions of the Act.

#### **156. INSPECTION BY DIRECTORS**

The books of account and books and papers of the Company, or any of them, shall be open to the inspection of Directors in accordance with the applicable provisions of the Act.

### **157. INSPECTION BY MEMBERS**

No Member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by law or authorised by the Board.

### **SERVICE OF DOCUMENTS AND NOTICE**

#### **158. MEMBERS TO NOTIFY ADDRESS IN INDIA**

Each registered holder of shares from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

#### **159. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS**

If a Member has no registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighborhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

#### **160. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF MEMBERS**

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

#### **161. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS**

Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given:

- (a) To the Members of the Company as provided by these Articles.
- (b) To the persons entitled to a share in consequence of the death or insolvency of a Member.
- (c) To the Directors of the Company.
- (d) To the auditors for the time being of the Company; in the manner authorized by as in the case of any Member or Members of the Company.

#### **162. NOTICE BY ADVERTISEMENT**

Subject to the provisions of the Act any document required to be served or sent by the Company on or to the Members, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the district in which the Office is situated.

#### **163. MEMBERS BOUND BY DOCUMENT GIVEN TO PREVIOUS HOLDERS**

Every person, who by the operation of law, transfer or other means whatsoever, shall become entitled to any shares, shall be bound by every document in respect of such share which, previously to his name and address being entered in the Register of Members, shall have been duly served on or sent to the person from whom he derived his title to such share. Any notice to be given by the Company shall be signed by the managing Director or by such Director or secretary (if any) or Officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed.

### **WINDING UP**

**164.** Subject to the applicable provisions of the Act—

- (a) 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.
- (b) 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.

(c) 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.

(d) 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.

#### **165. APPLICATION OF ASSETS**

Subject to the provisions of the Act as to preferential payment the assets of the Company shall, on its winding up, be applied in satisfaction of its liabilities *pari passu* and, subject to such application shall be distributed among the Members according to their rights and interests in the Company.

#### **INDEMNITY**

##### **166. DIRECTOR'S AND OTHERS' RIGHT TO INDEMNITY**

Subject to the provisions of the Act, every Director and Officer of the Company shall be indemnified by the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the negligence, willful misconduct or bad faith acts or omissions of such Director.

#### **167. INSURANCE**

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

#### **SECRECY CLAUSE**

##### **168. SECRECY**

No Member shall be entitled to inspect the Company's works without the permission of the managing director/Directors or to require discovery of any information respectively and detail of the Company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the managing director/Directors will be inexpedient in the interest of the Members of the Company to communicate to the public.

#### **GENERAL POWER**

**169.** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

**170.** At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**Listing Regulations**"), the provisions of the Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all of its obligations as prescribed under the Listing Regulations, from time to time.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered and Corporate Office of our Company with prior intimation on any Working Day between 10.00 a.m. and 5.00 p.m. for a period of seven days from the date of filing of this Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges.

### *Documents for Inspection*

1. Resolution of the Board of Directors of Company dated February 9, 2023, approving the Composite Scheme of Arrangement;
2. Observation letter no. DCS/AMAL/MJ/IP/2429/2022-23 dated July 29, 2022, for the Composite Scheme of Arrangement from BSE;
3. Observation letter no. NSE/LIST/30196\_II dated July 29, 2022, for the Composite Scheme of Arrangement from NSE;
4. Composite Scheme of Arrangement amongst TVS Holdings Limited (*formerly known as Sundaram - Clayton Limited*), erstwhile TVS Holdings Private Limited, erstwhile VS Investments Private Limited and their respective shareholders and creditors and our Company and its shareholders and creditors;
5. Order of the National Company law Tribunal dated March 6, 2023, approving the Composite Scheme of Arrangement;
6. BSE letter no. DCS/AMAL/TL/IP/2982/2023-24 dated November 22, 2023 granting in-principle approval for listing;
7. NSE letter no. NSE/LIST/114 dated November 02, 2023 granting in-principle approval for listing;
8. SEBI's letter bearing reference number SEBI/HO/CFD/RAC/DCR-2/P/OW/50508/2023 dated December 11, 2023 granting relaxation of Rule 19(2)(b) of the SCRR as per the SEBI Circular as amended from time to time for the purpose of listing of the shares of Sundaram-Clayton Limited (*formerly known as Sundaram - Clayton DCD Limited*);
9. Tripartite Agreement dated June 7, 2023, with NSDL, Registrar and Share Transfer Agent and our Company;
10. Tripartite Agreement dated June 7, 2023, with CDSL, Registrar and Share Transfer Agent and our Company;
11. Memorandum and Articles of Association of our Company, as amended till date;
12. Certificate of incorporation of our Company dated August 29, 2017, certificate of incorporation pursuant to change of name dated February 8, 2022, and a fresh certificate of incorporation dated February 24, 2022, pursuant to conversion of our Company from private to public;
13. Restated Consolidated Financial Information of our Company; and
14. Industry Report titled "*Automotive Casting*" dated September 19, 2023, prepared by CRISIL.

Any of the contracts or documents mentioned in this Information Memorandum may be amended or modified at any time if so, required in the interest of our Company or if required by other parties, without reference to the Shareholders, subject to compliance with applicable law.

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Sundaram-Clayton Limited (*formerly known as Sundaram - Clayton DCD Limited*)**

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**Name:** Mr. Vivek Shripad Joshi

**Designation:** Whole-time Director and Chief Executive Officer

**DIN:** 09522758

**Date:** 22.12.2023

**Place:** Chennai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

**For and on behalf of the Board of Directors of Sundaram-Clayton Limited (*formerly known as Sundaram - Clayton DCD Limited*)**

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**Name:** Mr. Ajay Kumar  
**Designation:** Chief Financial Officer  
**Date:** 22.12.2023  
**Place:** Chennai