Sundaram-Clayton Limited

(Formerly known as Sundaram-Clayton DCD Limited)

Subsidiaries Financial Report
for the year 2024-2025

CONTENTS

Direct Indian Subsidiary

Overseas Subsidiaries

INDEPENDENT AUDITOR'S REPORT

To the Members of SCL Properties Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SCL Properties Private Limited** ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu, which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA" s) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management and those charged with governance either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

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conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance, a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, based on our audit we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of section 164(2) of the Act;

   (f) Reporting on internal financial controls over financial reporting as on 31st March 2025 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification;

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(g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position as on **31st March 2025**;

(ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at **March 31, 2025**;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared any dividends during the year.

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(vi) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm's Registration No.: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

UDIN: 25027716BMIIMK1186

Place : Chennai
Date : May 6, 2025

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Annexure 'A' to Independent Auditors' Report - 31st March 2025 (Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d) of the Order is not applicable to the company;

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, the provision of clause 3(ii)(a) of the Order is not applicable;

(b) The Company has not been sanctioned working capital limits in excess of Rs 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion, the Company has not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable.

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order is not applicable;

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under clause 3(x) (b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

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xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;

xvii. The Company has incurred a cash loss of Rs. 311 during the financial year ended March 31, 2025. Since the Company was incorporated on July 22, 2024, commenting on the immediately preceding financial year does not araise.

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

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xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

xxi. In our opinion and based on our examination, the company is not required to prepare consolidated financial statements.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
Firm's Registration No.: 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

UDIN: 25027716BMIIMK1186

Place : Chennai
Date : May 6, 2025

SCL PROPERTIES PRIVATE LIMITED
CIN: U62020TN2024PTC172093
Chaitanya, 12 Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

Balance sheet as at 31st March, 2025 *(Rs in Thousands)*

Particulars	Note No.	As at 31st March, 2025
I. ASSETS		
1. Non current assets		
a) Deferred tax asset		-
2. Current assets		
a) Cash and cash equivalents	1	1,000
Total		**1,000**
II. EQUITY AND LIABILITIES		
1. Shareholders' funds		
a) Share capital	2	1,000
b) Reserves and surplus	3	(0)
2. Current liabilities		
a) Other current liabilities		-
b) Short-term provisions		-
Total		**1,000**
See accompanying notes to the financial statements	1 to 5	

In terms of our report attached

for **and on behalf of Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN : 007761S

Dr. Lakshmi Venu
Director
DIN: 02702020

R Anandakrishnan
Director
DIN: 07806173

V. Sathyanarayanan
Partner
Membership No. 027716

Place : Chennai
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Statement of profit and loss account for the period ended 31st March, 2025

(Rs in Thousands)

	Particulars	**Note No.**	**For the Period ended 31st March, 2025**
I	Revenue fom operation		-
II	Other income		-
III	**Total income (I + II)**		**-**
IV	**Expenses**		
	a) Other expenses	4	0
	Total expenses		**0**
V	**Profit before tax (III - IV)**		**(0)**
VI	**Tax expenses**		
	a) Current tax		-
	b) Deferred tax		-
	Total tax expenses		**-**
VII	**Profit/ (Loss) for the period (V-VI)**		**(0)**
	Earnings per equity share(EPS)		
	i) Basic EPS		(0.00)
	ii) Diluted EPS		(0.00)

See accompanying notes to the Financial Statements 1 to 5

In terms of our report attached

for **and on behalf of Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN : 007761S

Dr. Lakshmi Venu
Director
DIN: 02702020
Place : Chennai
Date : 6th May 2025

R Anandakrishnan
Director
DIN: 07806173

V. Sathyanarayanan
Partner
Membership No. 027716
Place : Chennai
Date : 6th May 2025

SCL PROPERTIES PRIVATE LIMITED
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"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai, Tamilnadu 600006 India

Statement of Changes in Equity ***(Rs in Thousands)***

A

Equity	Note No.	Amount
Balance as at July 22, 2024		**-**
Changes in Equity share capital during the year	2	1,000
Balance as at March 31, 2025		**1,000**

B

Other Equity	Note No.	Retained Earnings	Total
Balance as at July 22, 2024		**-**	**-**
Profit for the period	3	(0)	(0)
Other comprehensive income		-	
Balance as at March 31, 2025		**(0)**	**(0)**

In terms of our report attached

for **and on behalf of the Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
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SCL PROPERTIES PRIVATE LIMITED
CIN: U62020TN2024PTC172093
Chaitanya, 12 Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

Statement of Cashflow for the period ended 31st March, 2025

(Rs in Thousands)

Particulars	For the Period ended 31st March, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit / (Loss) before tax for the period	(0)
Changes in working capital:	-
Cash generated from operations	**(0)**
Net income tax (paid) / refunded	**-**
Net cash outflow from operating activities (A)	**(0)**
B. CASH FLOW FROM INVESTING ACTIVITIES	
Net cash flow used in investing activities (B)	**-**
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceed from issue of shares	1,000
Net cash flow from financing activities (C)	**1,000**
Total (A+B+C)	**1,000**
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	1,000
Net increase/(decrease) in cash and cash equivalents	**1,000**

Note : The above Statement of Cash flow is prepared using indirect method

In terms of our report attached

for **and on behalf of Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN : 007761S

Dr. Lakshmi Venu
Director
DIN: 02702020
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SCL PROPERTIES PRIVATE LIMITED
CIN: U62020TN2024PTC172093
Chaitanya, 12 Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006
Notes to Balance sheet ***(Rs in Thousands)***

Note No.	Particulars	As at 31st March, 2025
1	**Cash and cash equivalents**	
	Balance with scheduled banks:	1,000
	Total	**1,000**
3	**Reserves and surplus**	
	Opening balance	-
	Add: Profit for the year	(0)
	Less: Transfer to capital redemption reserve	-
	Closing balance	**(0)**

SCL PROPERTIES PRIVATE LIMITED

CIN: U62020TN2024PTC172093

"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai, Tamilnadu 600006 India

Notes to Balance Sheet ***(Rs in Thousands)***

2	**Share Capital**	**No. of Shares**	**Amount**
(i)	**Authorised Share Capital:**		
	10,00,000 Equity shares of Re.1/- each	10,00,000	1,000.00
(ii)	**Issued, Subscribed and Fully Paid up Share Capital:**		
	10,00,000 Equity shares of Re.1/- each	10,00,000	1,000.00

(iii) Movement in equity share capital

	No. of Shares	**Amount**
Equity Shares as at July 22, 2024	**-**	**-**
Additions	10,00,000	1,000.00
Equity Shares as at March 31, 2025	**10,00,000**	**1,000.00**

(iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	**As at March 31, 2025**	
	No. of Shares	**%**
Sundaram- Clayton Limited	10,00,000	100.00

(v) Terms / Rights attached

The company has only one class of equity shares having a par value of Re.1/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(vi) Details of shares held by promoters as at 31st March 2025

Name of Shareholder	Class of Share	**As at March 31, 2025**	
		No. of Shares held	% of Holding
Sundaram- Clayton Limited	Equity	10,00,000	100.00

SCL PROPERTIES PRIVATE LIMITED CIN: U62020TN2024PTC172093 Chaitanya, 12 Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006	
S.No	**Particulars**
5	**Material Accounting Policies and Notes forming part of Financial Statements:**
1	**Corporate Information** SCL Properties Private Limited is a private limited company incorporated under the provisions of the Companies Act, 2013 on 22nd July 2024. The registered office is located at Chaitanya, No.12, Khader Nawaz Khan Road, Chennai–600006, Tamil Nadu, India
2	**Summary of Significant Accounting Policies:**
2.1.	**Basis of Preparation** The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statement has been prepared on the historical cost convention under accrual basis of accounting(as per the accounting policy below). These financial statements for the year ended 31st March 2025 have been approved and authorised for issue by the Board of Directors at its meeting held on 6th May 2025
2.2.	**Use of Estimates** The preparation of financial statements requires the 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.
2.3.	**Taxation** Tax expense comprises of (i) current tax and (ii) deferred tax. Whereas Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.
2.4.	**Earning Per Share** The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.
2.5.	**Provisions** The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability.

SCL PROPERTIES PRIVATE LIMITED
CIN: U62020TN2024PTC172093
Chaitanya, 12 Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

S.No	Particulars

3 **Related Party Disclosure**

List of Related party
Holding Company: Sundaram- Clayton Limited
Directors
1 Dr. Lakshmi Venu
2 Vivek Shripad Joshi
3 R Anandakrishnan

Transactions During the period

S. No	Nature of Transaction	Name of the Company	Relationship	Rs. In Thousands
1	Subcription to Equity Share Capital	Sundaram-Clayton Ltd	Holding Company	1000

4 **Capital and Other Commitments - NIL**

5 **Contingent Liabilities - NIL**

6 Being the first year of incorporation previous year numbers are not applicable

7 The basic and diluted earning per share is computed by dividing the net profit / loss attributable to equity share holders for the year by the weighted average number of equity shares outstanding during the year.

In terms of our report attached

for **and on behalf of Board of Directors**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN : 007761S

Dr. Lakshmi Venu
Director
DIN: 02702020
Place : Chennai
Date : 6^{th} May 2025

R Anandakrishnan
Director
DIN: 07806173

V. Sathyanarayanan
Partner
Membership No. 027716
Place : Chennai
Date : 6^{th} May 2025

Sundaram Holdings USA Inc., and its subsidiaries

Consolidated financial statements for the years ended
March 31, 2025, and March 31, 2024

KNAV CPA LLP

Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE, Atlanta, GA 30328

CPA SM
America Counts on CPAs

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Consolidated Financial Statements

Consolidated Balance Sheets

(All amounts are in United States Dollar, unless otherwise stated)	As at	
	March 31, 2025	**March 31, 2024**
ASSETS		
Current assets		
Cash and cash equivalents	28,51,271	13,27,586
Accounts receivable, net of allowances	56,75,089	45,73,296
Other receivables, related party *(refer note* P*)*	-	-
Inventories, net	91,25,050	61,77,254
Prepaid expenses and other current assets	26,77,701	32,60,776
Total current assets	**2,03,29,111**	**1,53,38,912**
Non-current assets		
Property, plant and equipment, net	11,46,02,903	8,56,85,960
Capital work-in progress	3,11,367	41,70,805
Operating lease, right-of-use assets	45,982	-
Finance lease, right-of-use assets	39,278	1,49,642
Total assets	**13,53,28,641**	**10,53,45,319**
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	42,88,517	27,87,816
Other payables, related party	39,75,306	1,10,95,876
Operating lease liabilities, current portion	19,013	-
Finance lease liabilities, current portion	40,849	1,50,089
Current maturities of long term debt	96,20,000	1,98,03,575
Short term borrowings	50,00,000	50,00,000
Other current liabilities	86,97,316	44,00,902
Total current liabilities	**3,16,41,001**	**4,32,38,258**
Non current liabilities		
Long term debt, net of current portion	3,53,80,000	2,84,69,235
Operating lease liabilities, net of current portion	28,273	-
Finance lease liabilities, net of current portion	-	38,843
Other liabilities	2,00,000	13,00,000
Total liabilities	**6,72,49,274**	**7,30,46,336**
Stockholder's equity		
Common stock – *$1 par value; 150,000,000 and 100,000,000 shares authorized as of March 31, 2024, and March 31, 2023, respectively; 122,700,000 and 97,700,000 shares issued and outstanding as of March 31, 2024, and March 31, 2023, respectively*	18,77,00,000	12,27,00,000
Accumulated deficit	(11,96,20,633)	(9,04,01,017)
Total stockholder's equity	**6,80,79,367**	**3,22,98,983**
Total liabilities and stockholder's equity	**13,53,28,641**	**10,53,45,319**

(The accompanying notes are an integral part of these consolidated financial statements.)

Consolidated Statements of Loss

(All amounts are in United States Dollar, unless otherwise stated)	As at March 31, 2025	As at March 31, 2024
Revenues		
Revenue from operations	2,83,33,416	1,97,03,389
Less: cost of revenues	(2,36,97,457)	(1,87,88,713)
	46,35,959	**9,14,676**
Operating expenses		
Personnel expenses	1,55,82,217	1,26,56,741
Selling, general and administrative expenses	1,03,63,975	92,02,463
Depreciation and amortization expenses	43,63,262	39,96,176
Total costs and expenses	**3,03,09,454**	**2,58,55,380**
Loss from operations	**(2,56,73,495)**	**(2,49,40,704)**
Other expenses		
Loss on extinguishment of loan	(3,27,190)	-
Interest expenses	(33,88,005)	(47,85,233)
Other income	1,69,074	-
Loss before income taxes	**(2,92,19,616)**	**(2,97,25,937)**
Current tax expenses	-	-
Deferred tax expenses	-	-
Net loss	**(2,92,19,616)**	**(2,97,25,937)**

(The accompanying notes are an integral part of these consolidated financial statements.)

Consolidated Statements of Stockholder's Equity

For the years ended March 31, 2025, and March 31, 2024

(All amounts are in United States Dollar, except the number of shares)

	Common stock					
	Authorized		Issued & outstanding			Total stockholder's equity
	Shares	Value $	Shares	Value $	Accumulated deficit	
Balance as at April 1, 2022	10,00,00,000	10,00,00,000	9,33,50,000	9,33,50,000	(4,07,85,156)	**5,25,64,844**
Shares issued during the year	-	-	43,50,000	43,50,000	-	**43,50,000**
Net loss	-	-	-	-	(1,98,89,924)	**(1,98,89,924)**
Balance as at March 31, 2023	**10,00,00,000**	**10,00,00,000**	**9,77,00,000**	**9,77,00,000**	**(6,06,75,080)**	**3,70,24,920**
Balance as at April 1, 2023	10,00,00,000	10,00,00,000	9,77,00,000	9,77,00,000	(6,06,75,080)	**3,70,24,920**
Increase in authorized share capital	5,00,00,000	5,00,00,000	-	-	-	**-**
Shares issued during the year	-	-	2,50,00,000	2,50,00,000	**-**	**2,50,00,000**
Net loss	-	-	-	-	(2,97,25,937)	**(2,97,25,937)**
Balance as at March 31, 2024	**15,00,00,000**	**15,00,00,000**	**12,27,00,000**	**12,27,00,000**	**(9,04,01,017)**	**3,22,98,983**
Balance as at April 1, 2024	15,00,00,000	15,00,00,000	12,27,00,000	12,27,00,000	(9,04,01,017)	3,22,98,983
Increase in authorized share capital	11,00,00,000	11,00,00,000	-	-	-	**-**
Shares issued during the year			6,50,00,000	6,50,00,000	-	**6,50,00,000**
Net loss					(2,92,19,616)	**(2,92,19,616)**
Balance as at March 31, 2025	**26,00,00,000**	**26,00,00,000**	**18,77,00,000**	**18,77,00,000**	**(11,96,20,633)**	**6,80,79,367**

Consolidated Statements of Cash Flows

(All amounts are in United States Dollar, except the number of shares)

	For the year ended	
	March 31, 2025	**March 31, 2024**
Cash flows from operating activities		
Net loss	**(2,92,19,616)**	**(2,97,25,937)**
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expenses	43,63,262	39,96,176
Allowances towards expected credit loss	-	1,52,851
Interest on finance leases	4,638	6,424
Amortization of debt issuance cost	3,27,190	66,676
Changes in assets and liabilities		
Inventories, net	(29,47,796)	(9,55,927)
Accounts receivables	(11,01,793)	(1,70,149)
Other receivables, related party	-	74,467
Prepaid and other current assets	5,83,075	(29,38,619)
Accounts payable	15,00,701	6,94,290
Other payables, related party	(71,20,570)	56,84,400
Other current liabilities	42,96,414	13,84,447
Other liabilities	(11,00,000)	-
Operating lease, net	1,304	-
Net cash used in operating activities	**(3,04,13,191)**	**(2,17,30,901)**
Cash flows from investing activities		
Purchase of property, plant and equipment and capital assets	(2,93,10,403)	(73,37,160)
Net cash used in investing activities	**(2,93,10,403)**	**(73,37,160)**
Cash flows from financing activities		
Issuance of common stock	6,50,00,000	2,50,00,000
Proceeds from short term borrowings	2,20,00,000	-
Proceeds from long term debt	4,50,00,000	1,39,28,498
Payment of debt processing costs	-	(1,02,077)
Repayment of short term borrowings	(2,20,00,000)	-
Repayment of long term debt	(4,86,00,000)	(1,06,00,000)
Repayment of finance lease	(1,52,721)	(2,13,841)
Net cash provided by financing activities	**6,12,47,279**	**2,80,12,580**
	-	
Net decrease in cash and cash equivalents	**15,23,685**	**(10,55,481)**
Cash and cash equivalents at the beginning of the year	13,27,586	23,83,067
Cash and cash equivalents at the end of the year	**28,51,271**	**13,27,586**
Supplementary cash information		
Interest paid	44,12,787	50,32,904
Interest capitalized	10,59,718	1,71,778

(The accompanying notes are an integral part of these consolidated financial statements.)

Notes to Consolidated Financial Statements

NOTE A - NATURE OF OPERATIONS AND LIQUIDITY PLANS

1. Nature of operations:

Sundaram Holding USA Inc. ("Company" or "SHUI") was incorporated in the State of Delaware on September 9, 2015. On September 22, 2022, Sundaram Auto Components Limited transferred its entire holding of 47,000,000 shares of the Company to Sundaram Clayton Limited. As of March 31, 2023, Sundaram Clayton Limited ("Parent") is the sole owner of the Company. *(Refer Note S – Stockholder's equity)*

The Company is the sole member of four single-member limited liability companies – Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram Clayton USA LLC (erstwhile Workspace Projects LLC), all incorporated on September 16, 2016, and Premier Land Holding LLC, incorporated on December 6, 2016. The Company is in the business of manufacturing components for the automotive industry.

2. Liquidity plans:

For the year ended March 31, 2025, the Company incurred a net loss after taxes of $29,471,647, operating cash outflows of $30,413,191. However, as of March 31, 2025, the Company has an accumulated deficit of $119,872,664. The operations of the Company are primarily funded by long-term debt and investments from the Parent. The Company raised an additional $45,000,000 through loans from banks and additional $65,000,000 through issuance of common stock during the year ended March 31, 2025.

Management evaluated the Company's liquidity position on the date these consolidated financial statements were available to be issued and determined that the Company will continue operations for the foreseeable future, in view of the continued support from the Parent. The management considers that it is appropriate to prepare these consolidated financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying consolidated financial statements is as follows:

1. *Basis of presentation*

a. The accompanying consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") to reflect the consolidated financial position, results of operations, stockholder's equity, and cash flows.

b. All amounts are stated in United States Dollars, except as otherwise specified.

c. The consolidated financial statements are for the years ended March 31, 2025, and March 31, 2024.

d. Certain reclassifications, regroupings, and reworking have been made in the consolidated financial statements of the prior year to conform with the classifications used in the current year. This has no impact on the previously reported consolidated statements of loss or stockholder's equity.

2. *Principles of consolidation*

The accompanying consolidated financial statements include the financial statements of Sundaram Holdings USA Inc ("SHUI") along with its subsidiaries Green Hills Land Holding LLC ("GHLH"), Component Equipment Leasing LLC ("CEL"), Sundaram Clayton USA LLC ("SCUSA") and Premier Land Holding LLC ("PLHL") which are wholly owned. All inter-company accounts and transactions are eliminated on consolidation. Sundaram Holdings USA, Inc. and its subsidiaries are collectively referred to as the Company, and these consolidated financial statements are referred to as the consolidated financial statements of the Company.

3. *Use of estimates*

The preparation of consolidated financial statements are in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include, but are not limited to, valuation allowance on deferred tax assets, allowance for expected credit loss, determination of useful lives of property, plant and equipment at the consolidated balance sheets date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

4. *Cash and cash equivalents*

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents. Cash comprise of balances in bank accounts. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $250,000 for each insured bank for each account per depositor.

5. *Revenue recognition*

Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company's products or services. The Company's payment terms are typically 90 days. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing contracts, noncash consideration, and consideration payable to the customer, if any.

5. *Revenue recognition*

The Company's revenue represents sales of finished goods with incoterms ex-factory/ex works as well as FOB

6. *Accounts receivable and provision for doubtful debts*

Accounts receivable from customers are recorded at the original invoiced amounts net of an allowance for doubtful accounts. We make estimates of expected credit losses for our allowance by considering a number of factors, including the length of time accounts receivable are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. The provision for estimated credit losses is recorded in accounts receivable, net of allowance on our consolidated balance sheets.

7. *Inventories*

Inventories are stated at the lower of cost and market value. Cost is determined using the weighted average method. Cost in the case of raw materials comprises the purchase price and attributable direct costs, less trade discounts. Cost in the case of work-in-progress and finished goods comprise direct labour, material cost, and production overheads.

A write down of inventory to the lower of cost or market value at the close of a fiscal period creates a new cost basis and is not marked up based on changes in underlying facts and circumstances. Work-in-progress and finished goods are valued at lower of cost or market value after providing for obsolescence and other losses. The Company is required to make assumptions regarding the level of reserves required to value potentially obsolete or overvalued items at a lower cost or market value. These assumptions require the Company to analyse the aging of and forecasted demand for its inventory, forecast future products sales prices, pricing trends, and margins, and make judgments and estimates regarding obsolete or excess inventory. Future product sales prices, pricing trends, and margins are based on the best available information at that time, including actual orders received, negotiations with the Company's customers for future orders, including their plans for expenditures, and market trends for similar products. The Company's judgments and estimates for excess or obsolete inventory are based on an analysis of actual and forecasted usage. The Company makes adjustments to its inventory reserve based on the identification of specific situations and increases its inventory reserves accordingly. As further changes in future economic or industry conditions occur, the Company will revise the estimates that were used to calculate its inventory reserves.

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8. *Property, plant, and equipment and depreciation*

Property, plant, and equipment are stated at cost less accumulated depreciation. The cost of property, plant, and equipment comprise the cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use.

Major maintenance projects that extend the life of the related equipment are capitalized. The cost of maintenance and repairs is charged to expense when incurred.

The Company depreciates property, plant, and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts, and the resulting gain or loss is credited or charged to operations.

The estimated useful life used to determine depreciation considering the company operates on three shifts is as follows:

Particulars	**Useful life**
Building	45 years
Machinery and equipment	10 to 15 years
Equipment under lease	8 years
Furniture and fixtures	10 years
Production tools and dies	4 to 8 years
Vehicles	6 years
Office equipment	3 years

Deposits paid towards the acquisition of property, plant, and equipment outstanding as of each consolidated balance sheets date and the cost of property, plant, and equipment not ready for use before such date are disclosed under capital work-in-progress.

9. *Impairment of long-lived assets*

Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

10. *Income taxes*

In accordance with the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

11. *Lease*

Accounting Standard Update ("ASU") 2016-02, Leases. The lease standard requires all leases to be reported on the consolidated balance sheet as lease right-of-use assets and lease obligations.

The Company's leases are classified as finance leases, which are included in lease right-of-use assets and lease liabilities in the Company's consolidated balance sheet. Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date for leases exceeding 12 months. Minimum lease payments include only the fixed lease component of the agreement, as well as any variable rate payments that depend on an index, initially measured using the index at the lease commencement date. Lease terms may include options to renew when it is reasonably certain that the Company will exercise that option.

The Company's estimation considers the market rates of the Company's outstanding collateralized borrowings and interpolations of rates outside of the terms of the outstanding borrowings, including comparisons to comparable borrowings of similarly rated companies with longer term borrowings. Lease expense is recognized on a straight-line basis over the lease term and is included in the cost of revenue or general and administrative expenses. Lease with a lease term of 12 months or less from the commencement date that do not contain a purchase option are recognized as an expense on a straight-line basis over the lease term.

12. *Commitment and Contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigations, fines, penalties, and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

13. *Government incentive*

The incentive received from the government for the creation of an asset is deferred and is classified as a liability until the conditions based on which the incentives are granted are met.

14. *Fair value measurement*

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based on the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, other receivable, accounts payable and accrued expenses. The estimated fair value of cash, accounts receivable, accounts payable and accrued expenses approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

15. *Recently issued accounting standards not yet adopted.*
In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be effective for the annual periods beginning the year ended March 31, 2026. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

NOTE C - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable, and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and accounts receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and accounts receivables involve risk, including the credit risk of non-performance by counterparties.

In management's opinion, as of March 31, 2025, and March 31, 2024, there was no significant risk of loss in the event of non-performance of the counterparties to these cash equivalents and accounts receivables.

As of March 31, 2025, and March 31, 2024, two customers accounted for approximately XX% and 67% of the total accounts receivable and contributed for around XX% and 71% of the Company's revenue during the years ended March 31, 2025, and March 31, 2024, respectively.

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NOTE D - CASH AND CASH EQUIVALENTS

Cash and cash equivalents, include the following:

	As at	
	March 31, 2025	**March 31, 2024**
Balance with banks	28,51,271	13,27,586
Total	**28,51,271**	**13,27,586**

NOTE E - ACCOUNTS RECEIVABLE, NET OF ALLOWANCES

Accounts receivable, net of allowances include the following:

	As at	
	March 31, 2025	**March 31, 2024**
Accounts receivable	61,17,096	47,26,147
Less: allowances towards expected credit loss	(4,42,007)	(1,52,851)
Accounts receivable, net of allowances	**56,75,089**	**45,73,296**

The activity in allowances for doubtful receivables is given below:

	March 31, 2025	**March 31, 2024**
Balance at beginning of the year	**1,52,851**	**-**
Add: allowances towards expected credit loss	2,89,156	1,52,851
Balance at end of the year	**4,42,007**	**1,52,851**

NOTE F - INVENTORIES, NET

Inventories, net, include the following:

	As at	
	March 31, 2025	**March 31, 2024**
Raw material	23,15,604	9,18,513
Work-in-progress	5,69,949	8,94,734
Stores and spares	29,64,187	4,49,526
Finished goods	31,63,388	32,72,554
Goods in transit	66,921	6,11,452
Packing material	45,001	30,475
Total	**91,25,050**	**61,77,254**

NOTE G - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant, and equipment, net, includes the following:

	As at	
	March 31, 2025	**March 31, 2024**
Land	29,34,860	29,34,860
Building	3,97,52,168	3,97,52,168
Machinery and equipment	8,42,84,077	5,07,11,079
Vehicles	5,85,954	5,85,952
Furniture and fixtures	4,70,906	4,70,906
Office equipment	17,81,779	17,32,147
Production tools and dies	24,33,587	29,15,980
Total	**13,22,43,331**	**9,91,03,092**
Less: accumulated depreciation	(1,76,40,428)	(1,34,17,132)
Total property, plant, and equipment	**11,46,02,903**	**8,56,85,960**

Depreciation for the years ended March 31, 2025, and March 31, 2024, was $4,223,296 and $3,790,535, respectively.

Land and building, machinery, and equipment have been hypothecated against the loans obtained from the banks. (*Refer note J – Long-term debt)*

NOTE H - CAPITAL WORK-IN-PROGRESS

The capital work in progress amounted to $311,367 as of March 31, 2024 (March 31, 2024 was $4,170,805). The balance as on March 31, 2025, and March 31, 2024, represents capital projects under construction which were yet to be installed.

During the year ended March 31, 2025, the capital work in progress transferred to property, plant and equipment amounted to $32,704,175. (March 31, 2024: $5,352,210). Capitalized interest for the year ended March 31, 2024, is $ 5,412 (March 31, 2024, is $ 171,778).

NOTE I - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets, include the following:

	As at	
	March 31, 2025	**March 31, 2024**
Advances to vendors	15,95,182	5,52,923
Capital advances	10,08,064	26,35,159
Prepaid expenses	37,110	43,909
Security deposits	32,345	28,785
Advance salary	5,000	-
Total	**26,77,701**	**32,60,776**

NOTE J - LONG-TERM DEBT

Long-term debt includes the following:

	As at	
	March 31, 2025	**March 31, 2024**
Loan from banks	4,50,00,000	4,86,00,000
Less: unamortized debt issuance cost	-	(3,27,190)
Total debt	**4,50,00,000**	**4,82,72,810**
Less: current maturities	(96,20,000)	(1,98,03,575)
Total long term debt, net of current portion	**3,53,80,000**	**2,84,69,235**

During the year ended March 31, 2019, the Company obtained a long-term debt from a bank with available limit of $40,000,000 for funding the purchase of capital assets and for repayment of then held short-term borrowing. During the year ended March 31, 2023, the Company availed $NIL and repaid $8,000,000. During the year ended March 31, 2024, the Company availed $NIL and repaid $10,600,000. During the year ended March 31, 2025, the Company availed $NIL and repaid $10,600,000. Outstanding principle balance as of March 31, 2025 and March 31, 2024, is $NIL and $10,600,000, respectively. The entire loan was repaid during the year ended March 31, 2025.

This loan is secured by land, building and plant, and machinery. The Company has availed loan at the rate of LIBOR + 1.25%, the effective rate of interest for the year ended March 31, 2025, is XX%. (March 31, 2024: 7.11%).

During the year ended March 31, 2024, the Company obtained another long-term debt from a bank with available limit of $15,000,000 for funding the purchase of capital assets. During the year ended March 31, 2024, the Company availed $8,000,000 from the avaiable limit. Outstanding principle balance as of March 31, 2024, is $8,000,000. During the year ended March 31, 2025, the outstanding balance amount of $8,000,000 was repaid. Outstanding principle balance as of March 31, 2025, is $NIL.

This loan is secured by land, building and plant, and machinery. The Company has availed loan at the rate of 3 Month SOFR + 1.95%, the effective rate of interest for the year ended March 31, 2024, is 8.69%.

During the year ended March 31, 2022, the Company obtained a long-term debt from another bank with available limit of $30,000,000 for funding the purchase of capital assets. The repayment of this term loan starts 27 months from the date of disbursement. The said loan was subsequently modified in February 2023, to convert the $ 30,000,000 loan into two sub-loans, i.e. sub-loan ("Sub-loan I") for $24,071,502 and is repayable starting from 21 months from the date of disbursement and another sub-loan ("Sub loan II") for $5,928,498 which is repayable starting from 27 months from the date of disbursement.

During the years ended March 31, 2024 and March 31, 2023, the Company availed $5,928,498 and $24,071,502, respectively. Outstanding principle balance as of March 31, 2024 and March 31, 2023, is $30,000,000 and $24,071,502, respectively. The entire loan is repayable in tranches by May 2030. During the year ended March 31, 2025, the entire outstansding balance of $30,000,000 was repaid.

This loan is secured by land, building and plant, and machinery. The Company has availed loan at the rate of SOFR + 3.95%, the effective rate of interest for the year ended March 31, 2024, is XX%. (March 31, 2024: 10.91%). The Company incurred additional debt processing costs of $NIL and $102,077, during the years ended March 31, 2025 and March 31, 2024, respectively.

During the year ended March 31, 2025, the Company obtained another long-term debt from a bank with available limit of $45,000,000 for funding the purchase of capital assets and refinancing the Company's existing $ 45,000,000 term loan facility availed from HSBC Bank and Axis Bank, which was utilized for capital expenditure of the Company. During the year ended March 31, 2025, the Company availed $15,000,000 from the avaiable limit.The repayment of the loans shall commence after a moratorium of 1 year from the first Utilisation Date. Outstanding principle balance as of March 31, 2025, is $15,000,000.

This loan is secured by land, building and plant, and machinery. The Company has availed loan at the rate of SOFR + 1.50%, the effective rate of interest for the year ended March 31, 2025, is XX%.

The total amount of principle outstanding as of March 31, 2025, and March 31, 2024, was $45,000,000 and $48,600,000 respectively.

The future maturities of the Company's borrowing arrangements are as follows:

For the year ending	**Amount**
March 31, 2026	96,20,000
March 31, 2027	1,28,26,667
March 31, 2028	1,07,16,667
March 31, 2029	96,73,333
March 31, 2030	21,63,333
Thereafter	-
Total	**4,50,00,000**

Unamortized debt processing costs with respect to this loan amounted to $NIL and $327,190 during the years ended March 31, 2025 and March 31, 2024, respectively. Amortization of debt processing costs for the year ended March 31, 2025, and March 31, 2024, amounted to $NIL and $66,676 respectively. The average interest rate on the loans is around 7.40% for the year ended March 31, 2025 (March 31, 2024: 9.46%). The interest expense for the year ended March 31, 2024, is $4,215,525 (March 31, 2024, is $4,451,223). Out of which, capitalized interest for the year ended March 31, 2024, is $1,059,718 (March 31, 2024, is $171,778). Net interest expense pertaining to long term debt for the year ended March 31, 2024, is $3,155,807 (March 31, 2024, is $4,279,445).

NOTE K - SHORT TERM BORROWING

Short term borrowing, includes the following:

	As at	
	March 31, 2025	**March 31, 2024**
Loan from banks	50,00,000	50,00,000
Total	**50,00,000**	**50,00,000**

In July 2022, the Company secured a $5,000,000 line of credit from a bank to support working capital needs. This loan is repayable on demand and is classified as current.

During the year ended March 31, 2025, the Company secured a short term loan of $22,000,000 from a bank to support the working capital needs. This entire loan amount was repaid during the current year.

The average interest rates for the loan were 7.44% and 8.25% for the years ended March 31, 2025, and March 31, 2024, respectively. The interest expenses for the years then ended were $436,434 and $436,075 respectively.

NOTE L - OTHER CURRENT LIABILITIES

Other current liabilities, include the following:

	As at	
	March 31, 2025	**March 31, 2024**
Advances from customers	16,35,560	10,63,550
Interest payable	2,39,172	6,31,199
Capital vendors	45,49,209	20,91,213
Employee related liability	3,58,972	1,85,222
Accrued expenses	8,88,354	4,18,109
Refundable to customer	10,26,049	-
Other liabilities	-	11,609
Total	**86,97,316**	**44,00,902**

NOTE M - OTHER LIABILITIES

Other liabilities include the following:

	As at	
	March 31, 2025	**March 31, 2024**
Grant from county of Dorchester, South Carolina	2,00,000	13,00,000
Total	**2,00,000**	**13,00,000**

The Company received an incentive of $1,100,000 as of March 31, 2019, from the county of Dorchester, South Carolina, for Project Gateway (the operating facility being built by the Company). The incentive was granted to the Company on the following terms:

- Project Gateway will locate an automotive component manufacturing facility in Dorchester County, South Carolina.
- Project Gateway will invest $ 50.5 million in the project, of which $ 15 million will be in real property (land and building) and $ 35.5 million will be in tangible personal property (machinery and equipment).
- Of the $ 35.5 million in tangible personal property (machinery and equipment), $1 million will be in pollution control equipment.
- Project Gateway will create 130 new jobs over 5 years.

During the year ended March 31, 2025, the above stated terms were satified and the Company recognised the revenue of $1,100,000.

The Company received an advance incentive of $200,000 during the year ended March 31, 2021, from the county of Dorchester, South Carolina, for Project SC2 (the operating facility being built by the Company). The incentive was granted to the Company on the following terms:

· Project SC2, a "C" corporation, will locate an automotive component manufacturing facility in Dorchester County, South Carolina.

· Project SC2 will invest an additional $ 40 million in the project, of which $ 14 million will be in real property (land and building) and $ 26 million will be in tangible personal property (machinery and equipment).

· Project SC2 will create an additional 100 new jobs over 5 years.

NOTE N - REVENUE FROM OPERATIONS

Disaggregation of revenue based on nature:

	For the year ended	
	March 31, 2025	**March 31, 2024**
Type of goods or services		
Sale of manufactured products	1,43,96,850	1,32,44,311
Sale from trading	81,99,264	54,77,031
Warehousing service	-	2,47,736
Miscellaneous sales	9,61,752	7,34,311
Die sales	36,75,550	-
Grant income	11,00,000	-
Total	**2,83,33,416**	**1,97,03,389**

Disaggregation of revenue based on the timing of recognition:		
Services transferred over a period of time	-	2,47,736
Goods transferred at a point of time	1,43,96,850	1,32,44,311
Total	**2,83,33,416**	**1,34,92,047**

NOTE O - INCOME TAXES

The Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America.

The following is the summary of items giving rise to deferred tax assets and liabilities:

	As at	
	March 31, 2025	**March 31, 2024**
Non–current deferred tax assets		
Organization cost		24,84,894
Net operating losses		2,69,20,463
State credit		4,57,500
Donations		5,981
Accrued expenses		81,184
Accrued payroll		73,701
Deferred revenue		1,94,248
Leases		1,180
Provision for expected credit loss		38,136
Capital investment credit		4,55,692
Total non-current deferred tax asset	**-**	**3,07,12,979**
Non-current deferred tax liability		
Property, plant, and equipment		(84,51,727)
Total non-current deferred tax liability		**(84,51,727)**
Total deferred tax asset, net		**2,22,61,252**
less: valuation allowance		(2,22,61,252)
Deferred tax asset, net	**-**	**-**

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary differences become deductible.

Management considers the projected future taxable income and tax planning strategies in making this assessment. Since the Company has just started earning revenue, the management believes there exist significant uncertainties regarding the realization of deferred tax assets in US jurisdiction and accordingly, the Company has provided a valuation allowance of $22,261,252 and $15,044,580 as of March 31, 2024, and March 31, 2023, respectively.

The Company has federal net operating losses (NOLs) of $113,212,168 and $71,258,798 as at March 31, 2024, and March 31, 2023, respectively. The NOLs generated till 2017-18, which, if unutilized, will expire by the year 2037, and the NOLs generated after 2018-19 will be carried forward indefinitely.

The Company has state net operating loss carry forwards of approximately $109,859,781 and $71,128,464 as at March 31, 2024 and March 31, 2023, which if unutilized will expire based on the statutes of various states.

Accounting for an uncertain tax position
The Company recognizes the consolidated financial statements impact of a tax position when it is more likely than not that the position will be sustained upon examination. This has no material effect on the Company's consolidated financial position, results of operation or cash flows. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of March 31, 2024, and March 31, 2023.

The tax year 2019 to 2021 remains subject to examination by the taxing authorities.

NOTE P - RELATED PARTY TRANSACTIONS

A. Related Parties with whom transactions have taken place during the period:
- a. Sundaram Clayton Limited ("the Parent")
- b. Sundaram Clayton GMBH ("Affiliate")

B. The summary of balances with related parties are as follows

	As at	
	March 31, 2025	**March 31, 2024**
Payable to Sundaram Clayton Limited	39,75,306	1,10,95,876

C. The summary of transactions with related parties is as follows:

	For the year ended	
	March 31, 2025	**March 31, 2024**
Issue of common stock:		
Sundaram Clayton Limited	6,50,00,000	2,50,00,000
Warehousing income from:		
Sundaram Clayton Limited	1,69,979	2,47,736
Purchases from:		
Sundaram Clayton Limited	93,92,017	85,54,772
Expenses from :		
Sundaram Clayton Limited	5,56,450	1,20,839
Receipts from :		
Sundaram Clayton Limited	3,91,728	3,50,064
Sundaram Clayton GMBH	-	89,254

C. The summary of transactions with related parties is as follows:

	For the year ended	
	March 31, 2025	March 31, 2024
Payments to:		
Sundaram Clayton Limited	1,72,52,841	29,78,464
Expenses paid on behalf of:		
Sundaram Clayton Limited	37,946	-
Sundaram Clayton GMBH	-	14,787

NOTE Q - LEASES

General description of the lease
The Company has equipment's, forklifts and vehicles under finance leases and operating leases

The Company used the following policies and/or assumptions in evaluating the lease population:

Lease determination: The Company considers a contract to be or to contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) for a period of time in exchange for consideration.

Discount rate: When the lease contracts do not provide a readily determinable implicit rate, the Company uses the estimated incremental borrowing rate based on information available at the inception of the lease. The discount rate is determined by asset class.

Variable payments: The Company includes payments that are based on an index or rate within the calculation of right of use leased assets and lease liabilities, initially measured at the lease commencement date. There are variable payments in the nature of origination fees for office equipment, machinery, and equipment and therefore are not treated as a part of lease payments.

Purchase options: Certain leases include options to purchase office equipment. The depreciable life of assets are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

Renewal options: Most leases include one or more options to renew, with renewal terms that can extend the lease term from one or more years. The exercise of lease renewal options is at the Company's sole discretion.

Residual value guarantees, restrictions, or covenants: The lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Short-term leases: Leases with an initial term of 12 months or less are not recorded on the consolidated balance sheet; the Company recognizes lease expenses for these leases on a straight-line basis over the lease term and expenses the associated operating lease costs to administrative expenses on the consolidated statements of loss.

Lease rent paid for the year ended March 31, 2025 and March 31, 2024, was $ 161,540 and $213,841 respectively.

Components of finance lease and operating lease cost

	March 31, 2025	March 31, 2024
Finance lease cost:		
Amortization of right-of-use assets	1,39,966	2,05,641
Interest on lease liabilities	4,638	6,424
Total finance lease cost	**1,44,604**	**2,12,065**

Operating lease cost:		
Amortization of right-of-use assets	8,459	-
Interest on lease liabilities	1,194	-
Total finance lease cost	**9,653**	**-**

Maturities of lease liabilities are as follows:	**March 31, 2025**	**March 31, 2024**
Finance lease		
Weighted average remaining lease term	0.23 years	1.23 years
Weighted average discount rate	2.80%	2.80%
Operating lease		
Weighted average remaining lease term	2.54 years	-
Weighted average discount rate	4.94%	-

Supplemental cash flow information related to leases was as follows:

	March 31, 2025	**March 31, 2024**
Cash paid for amounts included in the measurement of lease liabilities:		
Cash paid toward finance leases	1,52,721	2,13,841
Cash paid toward operating leases	8,819	-

	March 31, 2025	**March 31, 2024**
Assets		
Finance lease, right-of-use assets	39,278	1,49,642
Operating lease, right-of-use assets	45,982	-
Total right-of-use assets	**85,260**	**1,49,642**
Finance lease, current portion	40,849	1,50,089
Finance lease, non-current portion	-	38,843
Operating lease liabilities, current portion	19,013	-
Operating lease liabilities, non-current portion	28,273	-
Total finance lease liabilities	**88,135**	**1,88,932**

Maturities of lease liabilities as of March 31, were as follows:	**March 31, 2025**
Finance lease	
2025-26	41,311
Total future minimum rental commitments	**41,311**
Less imputed interest	(462)
Total lease liability	**40,849**
Operating lease	
2025-26	19,664
2026-27	18,830
2027-28	10,647
Total future minimum rental commitments	**49,141**
Less imputed interest	(1,855)
Total lease liability	**47,286**

NOTE R - STOCKHOLDER'S EQUITY

Authorized common stock.

The authorized common stock is 260,000,000 and 150,000,000 shares with a par value of $1 as of March 31, 2025, and March 31, 2024, respectively.

Common stock issued and outstanding.

Common stock issued and outstanding as of March 31, 2025, and March 31, 2024, were 187,700,000 and 122,700,000 shares, respectively.

The Company's shareholding pattern is as follows:

	As at	
	March 31, 2025	**March 31, 2024**
Sundaram Clayton Limited	18,77,00,000	12,27,00,000
Total number of shares issued	**18,77,00,000**	**12,27,00,000**

During the years ended March 31, 2025, the Company issued additional $65,000,000 shares, (March 31, 2024: $25,000,000 shares), at $1 per share to Sundaram Clayton Limited.

Voting
Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation
In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE S - EMPLOYEE BENEFIT PLAN

The Company has an employees' savings plan, which qualifies under Section 401(k) of the Internal Revenue Code. The plan allows eligible employees to make voluntary contributions based on a specific percentage of compensation which may not exceed limitations under the Internal Revenue Code.

The Company has a discretionary matching contribution of 50% up to 6% compensation. The total expense for employee retirement contribution plans for the year ended March 31, 2024, was $185,223 and for the year ended March 31, 2023 was $146,805.

NOTE T - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2025, through the date the consolidated financial statements are available to be issued. Based on the evaluation, other than as described below, the Company is not aware of any subsequent events or transactions which would require recognition or disclosure in the consolidated financial statements.

The Company received an equity infusion from Sundaram Clayton Limited amounting to $6,000,000 during the month of April'2025.

Sundaram-Clayton (USA) Limited

Financial statements for the years ended
March 31, 2025, and March 31, 2024

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CPA[SM]
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Independent Auditor’s Report

To the Board of Directors
Sundaram-Clayton (USA) Limited

Opinion

We have audited the accompanying financial statements of Sundaram-Clayton USA Limited (the “Company”), which comprise the balance sheets as of March 31, 2025, and March 31, 2024, and the related statements of loss, stockholder’s deficit and cash flows for the years then ended and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2025, and March 31, 2024, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Company, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate that raise substantial doubt about the Company’s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

Atlanta, Georgia
April 30, 2025

Sundaram-Clayton (USA) Limited

Financial statements for the years ended
March 31, 2025, and March 31, 2024

Financial statements

Sundaram-Clayton (USA) Limited

Financial statements for the years ended
March 31, 2025, and March 31, 2024

Balance Sheets

(All amounts are in Unites States Dollars, unless otherwise stated)

	As at March 31, 2025	As at March 31, 2024
ASSETS		
Current assets		
Cash	5,401	17,863
Prepaid expenses and other current assets	638	-
Total assets	**6,039**	**17,863**
LIABILITIES AND STOCKHOLDER'S DEFICIT		
Current liabilities		
Advance from related party	28,138	25,422
Total current liabilities	**28,138**	**25,422**
Stockholder's deficit		
Common stock: $1 par value; Authorized 100 shares as of March 31, 2025, and March 31, 2024; 100 shares issued and outstanding as of March 31, 2025, and March 31, 2024.	100	100
Accumulated deficit	(22,199)	(7,659)
Total stockholder's deficit	**(22,099)**	**(7,559)**
TOTAL LIABILITIES AND STOCKHOLDER'S DEFICIT	**6,039**	**17,863**

(The accompanying notes are an integral part of these financial statements.)

Statements of Loss

(All amounts are in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenues		
Service fees	-	-
Total revenues	**-**	**-**
Costs and expenses		
General and administrative expenses	14,540	10,746
Total costs and expenses	**14,540**	**10,746**
Loss before income tax	**(14,540)**	**(10,746)**
Income tax expense	-	-
Net loss	**(14,540)**	**(10,746)**

(The accompanying notes are an integral part of these financial statements.)

Statements of Stockholder's Deficit

For the years ended March 31, 2025, and March 31, 2024

(All amounts are in United States Dollars, unless otherwise stated, except the number of shares)

Particulars	Common stock		Accumulated surplus (deficit)	Total stockholder's (deficit) equity
	Authorized, issued and outstanding			
	Shares	Value		
Balance as on April 01, 2023	100	100	3,087	3,187
Net loss for the year	-	-	(10,746)	(10,746)
Balance as at March 31, 2024	**100**	**100**	**(7,659)**	**(7,559)**
Balance as on April 01, 2024	100	100	(7,659)	(7,559)
Net loss for the year	-	-	(14,540)	(14,540)
Balance as at March 31, 2025	**100**	**100**	**(22,199)**	**(22,099)**

(The accompanying notes are an integral part of these financial statements.)

Statements of Cash Flows

(All amounts are in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities		
Net loss	(14,540)	(10,746)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Changes in assets and liabilities		
Prepaid & other current assets	(638)	
Advance from related party	2,716	13,713
Accrued liabilities	-	(104)
Net cash provided by (used in) by operating activities	**(12,462)**	**2,863**
Net increase in cash	**(12,462)**	**2,863**
Cash at the beginning of the year	17,863	15,000
Cash at the end of the year	**5,401**	**17,863**
Supplementary cash flow information		
Income taxes paid	-	104

(The accompanying notes are an integral part of these financial statements.)

Notes to Financial Statements

NOTE A - NATURE OF OPERATIONS AND LIQUIDITY PLANS

1. Nature of operations:

Sundaram-Clayton (USA) Limited (the "Company" or "SCUL"), was incorporated in the State of Illinois on December 14, 2011. The Company is a wholly owned subsidiary of Sundaram Clayton Limited ("SCL" or "parent company"). The Company provides Professional Employer Organization ("PEO") services to Sundaram Clayton Limited - USA branch office ("Branch of parent company") located in Illinois, North America.

2. Liquidity plans:

For the year ended March 31, 2025, the Company has an accumulated deficit of $22,099 net loss of $14,540 and has a negative cash flow from operations of $12,462. These factors may raise a doubt regarding the Company's ability to continue as a going concern for at least 12 months from the date when these financial statements are issued.

Management evaluated the Company's liquidity position on the date the financial statements were available to be issued and determined that the Company will continue operations for the foreseeable future, in view of the continued support from the Parent. The Management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable time.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America. The significant accounting policies are detailed below:

1. *Basis of presentation*

a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America ("US GAAP") to reflect the financial position, results of operations, stockholder's equity, and cash flows.

b. All the amounts are in United States Dollars except as otherwise specified.

c. The financial statements are presented for the years ended March 31, 2025, and March 31, 2024.

2. *Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management's estimates for determination of valuation allowance for deferred tax assets represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimate.

3. Cash

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents. Cash and cash equivalents comprise of balances in bank accounts and cash in hand. Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to $ 250,000 for each insured bank for each account per depositor.

4. Revenue recognition

The Company reports revenues, net of direct pass-through costs, which are costs billed and incurred for PEO worksite employees, primarily consisting of payroll wages and payroll taxes. Benefits and workers' compensation fees for PEO worksite employees are included in PEO revenues and the associated costs are included in operating expenses.

5. Income taxes

In accordance with the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 740 "Income Taxes," income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

6. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

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7. *Fair values measurements and financial instruments*

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

8. Recently issued accounting standards not yet adopted.

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU 2023-09), which improves the transparency of income tax disclosures by requiring consistent categories and greater disaggregation of information in the effective tax rate reconciliation and income taxes paid disaggregated by jurisdiction. It also includes certain other amendments to improve the effectiveness of income tax disclosures. This guidance will be effective for the annual periods beginning the year ended March 31, 2026. Early adoption is permitted. Upon adoption, the guidance can be applied prospectively or retrospectively. The Company do not expect the adoption of this guidance to have a material impact on financial statements.

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NOTE C - CASH

	As at	
Cash include the following:	March 31, 2025	March 31, 2024
Balance with banks	5,401	17,863
Total	**5,401**	**17,863**

NOTE D - PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets comprise of the following:

	As at	
	March 31, 2025	March 31, 2024
Prepaid rent	638	-
	638	**-**

NOTE E - INCOME TAXES

The income tax expense for the years ended March 31, 2025 and March 31, 2024 is $ NIL

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at	
	March 31, 2025	March 31, 2024
Non-current deferred tax assets:		
Federal net operating losses	5,311	2,257
State net operating losses	1,899	807
Total deferred tax asset	**7,210**	**3,064**
Net deferred taxes	7,210	3,064
Less: deferred tax asset valuation allowance	(7,210)	(3,064)
Net deferred taxes	**-**	**-**

Realization of net deferred tax assets is dependent upon generation of sufficient taxable income in future years, benefit from the reversal of taxable temporary differences and tax planning strategies. Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. The amount of net deferred tax assets considered realizable is subject to adjustment in future periods if estimates of future taxable income change.
Management believes that negative evidence outweighs the positive evidence and thus it is more likely than not that the benefit from deferred tax asset may not be realized in foreseeable future. In recognition of this risk, a valuation allowance of $7,210 and $3,064 has been created as at March 31, 2025 and March 31, 2024, respectively.

Accounting for uncertain tax position

The Company recognizes the benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as at March 31, 2025.

The tax year 2021 to 2023 remain subject to examination by the taxing authorities.

NOTE F - RELATED PARTY TRANSACTIONS

A. Related Parties with whom transactions have taken place during the period:
Sundaram Clayton Limited - USA branch office ('Branch of parent company') - vendor-customer relationship

B. The summary of balances with related parties are as follows

	As at	
	March 31, 2025	**March 31, 2024**
Payable to Sundaram Clayton Limited	28,138	25,422

C. The summary of transactions with related parties is as follows:

	For the year ended	
	March 31, 2025	**March 31, 2024**
PEO service income :		
Sundaram Clayton Limited - USA branch office (Branch of TVS Holding Limited)	-	-
Advances from :		
Sundaram Clayton Limited - USA branch office (Branch of TVS Holding Limited)	2,716	13,713

NOTE G - CONCENTRATION OF RISK

The only customer of the Company is Sundaram Clayton Limited - USA branch office (Branch of parent company) located in Illinois, North America. Accordingly, trade receivables are concentrated in North America. The Company derives all its revenue from branch of parent company. The revenue stream and credit worthiness of its receivable depends upon the financial condition of its parent company. However, the trade receivable balance is $ Nil as of March 31, 2025 (March 31, 2024 $ Nil). The advance payable to the branch of parent company as of March 31, 2025 is $28,137 (March 31, 2024 is $ 25,422).

NOTE H - COMMON STOCK

Common stock

The Company's common stock authorized, issued and outstanding as of March 31, 2025, was 100 shares at $ 1 par value each. (March 31, 2024: 100 shares of $ 1 par value each.)

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders. The Company is currently owned by a single shareholder.

NOTE I - SUBSEQUENT EVENTS

The Company has evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements are available to be issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

Balance sheet as at 31/03/2025

Sundaram Clayton GmbH Design, Neckarsulm

ASSETS

	EUR	Financial Year EUR
A. Noncurrent assets		
I. Tangible fixed assets		20,355.13
B. Current assets		
I. Receivables and other assets	519,599.64	
II. Cash on hand, central bank balances, bank balances, and checks	177,535.24	
		697,134.88
C. Prepaid expenses		4,558.72
		722,048.73

TOTAL EQUITY AND LIABILITIES

	EUR	Financial Year EUR
A. Equity		
I. Subscribed capital		25,000.00
II. Capital reserves		5,00,000.00
III. Retained profits brought forward		19,810.72
IV. Net loss		80,951.21
FCTR		
Total equity		463,859.51
B. Provisions		247,325.00
C. Liabilities		10,864.22
		722,048.73

Income statement from 01/04/2024 to 31/03/2025

Sundaram Clayton GmbH Design, Neckarsulm

Closing Rate
Average Rate

	EUR	Financial Year EUR
1. Gross profit/loss		10,59,257.96
2. Personnel expenses		
a) Wages and salaries	7,64,081.85	
b) Social security costs and expenses for old age pensions and other	66,184.75	
		8,30,266.60
3. Depreciation and amortization		
a) Of noncurrent intangible assets and property, plant and equipment		7,583.42
4. Other operating expenses		1,51,973.49
5. Taxes on income and earnings		1,50,385.66
6. Net income/net loss after tax		**-80,951.21**
7. Net loss		**80,951.21**

Sundaram Clayton GmbH Design, Neckarsulm

Account	Description	EUR	Financial Year EUR
	Gross profit/loss		
3736	Cash discounts received, 19% input tax	0.00	
8338	Tax-exempt sales 3rd country	1,059,111.16	
8590	Allocated other non-cash benefits	146.80	
			1,059,257.96
	Wages and salaries		
4120	Salaries	759,086.63	
4145	Volunt. social bnfts subj to wage tax	246.80	
4149	Flat-rate tax on other benefits	48.42	
4156	Exp. chge. prov. vac. pay	4,700.00	
			764,081.85
	Social security costs and expenses for old age pensions and other benefits		
4130	Statutory social security expenses	66,072.20	
4138	Contrb. to occup.health/safety agency	100.88	
4140	Vol. social benfts not subj to wage tx	11.67	
			66,184.75
	Depreciation and amortization		
	Of noncurrent intangible assets and property, plant and equipment		
4830	Depreciation of tangible fixed assets	4,650.19	
4855	Immediate write-off of low-value assets	2,933.23	
			7,583.42
	Other operating expenses		
2150	Currency translation losses	0.00	
4210	Rent (immovable property)	46,435.68	
4240	Gas, electricity, water	-270.70	
4250	Cleaning	1,294.57	
4380	Contributions	0.00	
4396	Late filing penalties/ admin. fines	499.40	
4397	N-tx dedctbl l.filg. penlts/admin. fines	0.00	
4530	Current vehicle-operting costs	178.73	
4570	Operating leases (motor vehicles)	962.04	
4580	Other vehicle costs	0.00	
4600	Advertising expenses	0.00	
4650	Entertainment expenses	349.33	
4660	Employee travel expenses	2,911.64	
4664	Employee trav. expn, addnl substnc costs	3,729.35	
4666	Employee trav. expn, accommodation costs	9,561.21	
4668	Employee mileage reimbursement	2,989.92	
4805	Repairs/maintenance operat/office equipm	2,852.94	
4806	Hardware / software maintenance expenses	511.70	
4900	Other operating expenses	281.44	
4920	Telephone	10,478.10	
4930	Office supplies	762.53	
4950	Legal and consulting expenses	65,189.39	
4957	Period-end closing and audit costs	0.00	
4969	Environmtl remed./ waste disposal expns	48.00	
4970	Incidental monetary transaction costs	3,135.20	
4980	Operating supplies	63.02	
4981	Tips	10.00	
			151,973.49
	Taxes on income and earnings		
2200	Corporate income tax	0.00	
2208	Solidarity surcharge	0.00	
2219	Credit/deduction of foreign withh. tax	150,385.66	
4320	Trade tax	0.00	
			150,385.66
	Net loss		**80,951.21**

Sundaram Clayton GmbH Design, Neckarsulm

ASSETS

Account	Description	EUR	Financial Year EUR
	Tangible fixed assets		
180	Comm./industr./other buildgs udr. constr	0.00	
410	Office equipment	20,355.13	
			20,355.13
	Receivables and other assets		
1410	Trade receivables	389,850.57	
1500	Other assets	0.00	
1527	Security deposits rem. term > 1 yr.	28,618.00	
1530	Receivables from employees (payroll)	5,793.00	
1549	Reclaimed corporate income tax	30,330.34	
1600	Trade payables	0.00	
1610	Trade pybls, no sep. rec./pybls accntng	1,964.81	
1741	Wage and church tax payables	0.00	
		456,556.72	
1571	Deductible input tax 7%	7.24	
1576	Deductible input tax 19%	30,996.52	
1789	VAT, current year	4,929.48	
1790	VAT, previous year	27,109.68	
		63,042.92	
			519,599.64
	Cash on hand, central bank balances, bank balances, and checks		
1200	HDFC Bank #301091200002270		177,535.24
	Prepaid expenses		
980	Prepaid expenses		4,558.72
			722,048.73

TOTAL EQUITY AND LIABILITIES

Account	Description	EUR	Financial Year EUR
	Subscribed capital		
800	Subscribed capital		25,000.00
	Capital reserves		
840	Capital reserves		500,000.00
	Retained profits brought forward		
860	Retained prof. bef apprprtn net profit		19,810.72
	Net loss		
	Net loss		80,951.21
	Provisions		
955	Provisions for taxes	39,000.00	
961	Provisions for vacation pay	4,700.00	
965	Provisions for personnel expenses	149,625.00	
970	Other provisions	0.00	
977	Provsns period-end closing	54,000.00	
			247,325.00
	Liabilities		
1600	Trade payables	10,864.22	
1610	Trade pybls, no sep. rec./pybls accntng	0.00	
1661	Rec. / Pay. SCL India	0.00	
1740	Payroll liabilities	0.00	
			10,864.22
			722,048.73