

TVS Next Inc., USA

ANNUAL REPORT

**for the year ended
March 31, 2022**

TVS Next Inc., USA

Balance Sheet as at 31st March 2022

Particulars	Note	As at 31st March 2022		As at 31st March 2021	
		USD	₹	USD	₹
ASSETS					
Non-current assets					
Property, plant and equipment	5	8,747	663,058	7,568	553,379
- Others	6	-	-	4,740	346,607
Assets for current tax (net)	7	27,905	2,115,191	27,905	2,040,405
		36,652	2,778,249	40,213	2,940,391
Current assets					
- Trade receivables	9	528,491	40,059,655	615,985	45,040,817
- Cash and cash equivalents	10	293,994	22,284,708	474,005	34,659,247
- Other bank balances	10	10,000	758,000	10,000	731,200
- Other	6	14,033	1,063,726	4,371	319,640
Other current assets	8	378,558	28,694,692	-	-
		1,225,076	92,860,781	1,104,361	80,750,904
Total assets		1,261,729	95,639,030	1,144,575	83,691,295
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	11	368,170	27,907,286	368,170	26,920,590
Other equity		58,493	4,433,760	14,713	1,075,824
Total equity		426,663	32,341,046	382,883	27,996,415
Liabilities					
Current liabilities					
Financial liabilities					
Dues to others	12	803,290	60,889,402	728,307	53,253,788
- Other financial liabilities	13	16,367	1,240,594	8,061	589,450
Other current liabilities	14	15,409	1,167,988	25,323	1,851,642
Total current liabilities		835,066	63,297,984	761,692	55,694,880
Total equity and liabilities		1,261,729	95,639,030	1,144,575	83,691,295

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 15, 2022

TVS Next Inc., USA

Statement of Profit and Loss for the year ended 31st March 2022

	Note	Year ended 31st March 2022		Year ended 31st March 2021	
		USD	₹	USD	₹
Revenue from operations	15	2,140,248	159,277,219	677,095	50,233,651
Other income	16	-	-	-	-
Total Income		2,140,248	159,277,219	677,095	50,233,651
Expenses					
Employee benefits expense	18	114,162	8,495,931	181,754	13,484,294
Depreciation and amortization expense	19	1,382	102,864	598	44,539
Other expenses	20	1,980,924	147,420,332	543,490	40,321,495
Total expenses		2,096,468	156,019,127	725,841	53,850,328
Profit before exceptional items and tax		43,780	3,258,092	(48,747)	(3,616,677)
Exceptional item		-	-	-	-
Profit before tax		43,780	3,258,092	(48,747)	(3,616,677)
Tax expense					
a) Current tax	21	-	-	-	-
b) Deferred tax		-	-	-	-
c) Minimum Alternate Tax Credit		-	-	-	-
d) Adjustment of tax relating to earlier periods		-	-	-	-
Profit for the Year from continuing operations		43,780	3,258,092	(48,747)	(3,616,677)
Profit / (loss) from discontinued operations		-	-	-	-
Tax income / (expense) of discontinued operations		-	-	-	-
Profit / (loss) from discontinued operations (after tax)		-	-	-	-
Profit / (loss) for the period		43,780	3,258,092	(48,747)	(3,616,677)
Other comprehensive income					
- Net gain on hedge of a net investment	17	-	-	-	-
Income tax effect		-	-	-	-
- Net movement on cash flow hedges		-	-	-	-
Income tax effect		-	-	-	-
- Net (loss)/gain on FVOCI debt securities		-	-	-	-
- Income tax relating to items that will be reclassified to profit or loss		-	8,080	-	(408,893)
		-	8,080	-	(408,893)
Total comprehensive income for the year		43,780	3,266,172	(48,747)	(4,025,570)
<i>(Comprising Profit and Other Comprehensive Income for the year)</i>					
Earnings per equity share					
Basic	21	0.12	8.87	(0.13)	(10.93)
Diluted (in ₹)		-	-	-	-
Weighted average number of equity shares used in computing earnings per equity share					
Basic		-	-	-	-
Diluted		-	-	-	-
No of shares		368,170	368,170	368,170	368,170

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 15, 2022

Statements of Changes in Equity for the year ended 31st March 2022

A. Equity Share Capital

Particulars	Notes	Amount	
		USD	₹
Balance at 1st April 2020	16	368,170	26,920,590
Restatement of opening balance		-	-
Balance at 31st March 2021		368,170	26,920,590
Restatement of opening balance		-	986,696
Balance at 31st March 2022		368,170	27,907,286

B. Other Equity

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total	
		Retained Earnings		Foreign currency translation reserve			
		USD	₹	USD	₹	USD	₹
Balances at 1st April 2021	13	14,713	1,023,488	-	52,336	14,713	1,075,824
Restatement of opening balance			91,764				91,764
Profit for the year		43,780	3,258,092	-		43,780	3,258,092
Other comprehensive income	26	-	-	-	8,080	-	8,080
Transferred from Retained earnings to general reserves		-	-	-	-	-	-
Dividends	14	-	-	-	-	-	-
Balances at 31st March 2022		58,493	4,373,344	-	60,416	58,493	4,433,760

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total	
		Retained Earnings		Foreign currency translation reserve			
		USD	₹	USD	₹	USD	₹
Balances at 1st April 2020	13	63,460	4,322,989	-	461,229	63,460	4,784,218
Restatement of opening balance			317,177				317,177
Profit for the year		(48,747)	(3,616,677)	-		(48,747)	(3,616,677)
Other comprehensive income	26	-	-	-	(408,893)	-	(408,893)
Transferred from Retained earnings to general reserves		-	-	-	-	-	-
Dividends	14	-	-	-	-	-	-
Balances at 31st March 2021		14,713	1,023,488	-	52,336	14,713	1,075,824

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 15, 2022

TVS Next Inc., USA

Cash Flow Statement for the year ended 31st March 2022

	Year ended 31st March 2022		Year ended 31st March 2021	
	USD	₹	USD	₹
A. Cash flows from operating activities				
Profit before tax	43,780	3,258,092	(48,747)	(3,616,677)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Depreciation and amortization	1,382	102,864	598	44,539
Operating profit before working capital changes	45,162	3,360,956	(48,149)	(3,572,138)
Adjustments for:				
Decrease in trade payables	74,984	7,635,614	20,303	(122,580)
(Decrease) / increase in other current liabilities	(1,609)	(32,510)	(3,575)	(345,341)
(Increase) / Decrease in trade receivables	87,493	4,981,162	73,208	6,917,399
(Increase) / Decrease in other non-current assets	4,740	271,821	2,370	252,779
(Increase) / decrease in other current assets	(388,220)	(29,438,778)	22,000	1,668,503
Cash from / (used) in operating activities	(222,612)	(16,582,691)	114,306	8,370,760
Direct taxes paid, net	-	-	-	-
Net cash from / (used) in operating activities before extraordinary item	(177,450)	(13,221,735)	66,157	4,798,622
Net cash from / (used) in operating activities	(177,450)	(13,221,735)	66,157	4,798,622
B. Cash flow from investing activities				
Purchase of assets (including capital work-in-progress and capital advances)	(2,562)	(194,169)	-	-
Net cash from / (used) in investing activities	(2,562)	(194,169)	-	-
C. Cash flow from financing activities				
Exchange difference on account of translation of foreign currency cash and cash equivalents (4)		1,041,365		(887,000)
Net cash generated from financing activities	-	1,041,365	-	(887,000)
D. Net cash flows during the year	(180,012)	(12,374,539)	66,157	3,911,622
E. Cash and cash equivalents at the beginning	474,005	34,659,247	407,848	30,747,625
G. Cash and cash equivalents at the end	293,994	22,284,708	474,005	34,659,247
Cash and cash equivalents comprise of:				
Cash on hand	-	-	-	-
Balances with banks in current accounts	293,994	22,284,708	474,005	34,659,247
Cash and cash equivalents as per note 20	-	-	-	-

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 15, 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

5 Property, plant and equipment

Gross block	Tangible Assets							
	Plant and Equipment		Furniture and fixtures		Office Equipments		Total	
	USD	₹	USD	₹	USD	₹	USD	₹
As at 01st April 2020	3,405	256,735	314	23,672	7,091	534,574	10,810	814,981
Additions (refer note a below)	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
Restatement of opening balance	-	(7,731)	-	(713)	-	(16,096)	-	(24,539)
- Transfer	-	-	-	-	-	-	-	-
As at 31st March 2021	3,405	249,004	314	22,960	7,091	518,478	10,810	790,442
Additions	2,562	194,169	-	-	-	-	2,562	194,169
Disposal	-	-	-	-	-	-	-	-
Restatement of opening balance	-	9,127	-	842	-	19,003	-	28,971
- Transfer	-	-	-	-	-	-	-	-
As at 31st March 2022	5,967	452,300	314	23,801	7,091	537,481	13,372	1,013,582
Accumulated depreciation / amortisation								
As at 01st April 2020	668	50,370	67	5,050	1,909	143,881	2,644	199,301
For the year	223	16,609	16	1,192	359	26,738	598	44,539
Deduction on disposal	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
- Transfer	-	-	-	-	-	-	-	-
Restatement of opening balance	-	(1,517)	-	(152)	-	(4,333)	-	(6,002)
Restatement of Current year dep.	-	(304)	-	(20)	-	(450)	-	(774)
- Impairment loss/(reversal)	-	-	-	-	-	-	-	-
As at 31st March 2021	891	65,158	83	6,069	2,268	165,836	3,242	237,063
For the year	905	67,366	17	1,265	460	34,233	1,382	102,864
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on sale or discards	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Restatement of opening balance	-	(1,158)	-	(108)	-	(2,948)	-	(4,215)
Restatement of Current year dep.	-	4,796	-	354	-	9,662	-	14,812
- Impairment loss / (reversal)	-	-	-	-	-	-	-	-
As at 31st March 2022	1,796	136,162	100	7,580	2,728	206,782	4,624	350,524
Net block								
As at 31st March 2021	2,514	183,846	231	16,891	4,823	352,642	7,568	553,379
As at 31st March 2022	4,171	316,138	214	16,221	4,363	330,699	8,747	663,058

TVS Next Inc., USA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

6 OTHER FINANCIAL ASSETS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)

	As at 31st March 2022				As at 31st March 2021			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
Security deposits	-	-	-	-	-	-	-	-
Advances recoverable	-	-	14,033	1,063,726	4,740	346,607	4,371	319,640
	-	-	14,033	1,063,726	4,740	346,607	4,371	319,640

	As at 31st March 2022				As at 31st March 2021			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
7 Assets for current tax (net)								
Advance Income-tax (net of provision for taxation 31st March 2021: \$ 27,905)	27,905	2,115,191	-	-	27,905	2,040,405	-	-
	27,905	2,115,191	-	-	27,905	2,040,405	-	-

	As at 31st March 2022				As at 31st March 2021			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
8 OTHER ASSETS								
(Unsecured, considered good)								
Less: Provision for doubtful debts-others								
Prepaid expenses	-	-	8,872	672,493	-	-	-	-
Others (Unbilled Revenue)	-	-	369,686	28,022,199	-	-	-	-
Unamortised portion of leasehold land	-	-	378,558	28,694,692	-	-	-	-

9 TRADE RECEIVABLES

(Unsecured, considered good unless otherwise stated)

Trade receivables (Also refer note 47(f))

i) Outstanding for a period not exceeding 6 months from the date they are due for payment	-	-	528,491	40,059,655	-	-	615,985	45,040,817
	-	-	528,491	40,059,655	-	-	615,985	45,040,817

Doubtful

Less : Provision for bad and doubtful debts

	-	-	528,491	40,059,655	-	-	615,985	45,040,817
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Movements in the provision for impairment of receivables

Opening Balance			528,491	40,059,655			689,192	37,523,483
Amount written off (uncollectable)			-	-			-	-
Impairment loss			-	-			-	-
Closing balance			528,491	40,059,655	-	-	689,192	37,523,483

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

	As at 31st March 2022				As at 31st March 2021			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
10 CASH AND BANK BALANCES								
Cash and cash equivalents								
Balances with banks in current accounts			293,994	22,284,708			474,005	34,659,247
(A)	-	-	293,994	22,284,708	-	-	474,005	34,659,247
	-	-	293,994	22,284,708	-	-	474,005	34,659,247
Other bank balances								
Balance with banks other than mentioned above	10,000	758,000			10,000	731,200		

	As at 31st March 2022			As at 31st March 2021		
	Number	USD	₹	Number	USD	₹
	11 SHARE CAPITAL					
Authorised						
60,000 Common Shares	60,000	368,170	27,907,286	60,000	368,170	26,920,590
	60,000	368,170	27,907,286	60,000	368,170	26,920,590
Issued, subscribed and fully paid up						
20,000 common shares of USD 1/- each fully paid up		368,170	27,907,286		368,170	26,920,590
34817 Common Shares of USD 10/- each fully paid up						
	-	368,170	27,907,286		368,170	26,920,590

- a) There were no movement in the share capital during the current and previous year.
- b) Shareholders holding more than 5% of the aggregate shares in the Company

	Nos.	% holding	Nos.	% holding
TVS Next Limited	368,170	100.00%	368,170	100.00%
	368,170	100.00%	368,170	100.00%

e) Capital Management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

TVS Next Inc., USA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

	As at 31st March 2022				As at 31st March 2021			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
12 TRADE PAYABLES								
Dues to micro and small enterprises (also, refer note (a) below)								-
Dues to others								
Trade payables-class A								-
Trade payables	-	-	803,290	60,889,402	-	-	728,307	53,253,788
	-	-	803,290	60,889,402	-	-	728,307	53,253,788
13 OTHER FINANCIAL LIABILITIES								
Non statutory dues			16,367	1,240,594			8,061	589,450
Outstanding liabilities	-	-	-	-	-	-	8,061	589,450
	-	-	16,367	1,240,594	-	-	8,061	589,450
14 OTHER CURRENT LIABILITIES								
Customer advances			-	-			-	-
Statutory dues			15,409	1,167,988			25,323	1,851,642
Others (Government Grant due with in one year)								
	-	-	15,409	1,167,988	-	-	25,323	1,851,642
15 REVENUE FROM OPERATIONS								
Sale of service								
Domestic Sales			2,140,248	159,277,219			677,095	50,233,651
Export Sales							-	-
Revenue from operations (Gross)			2,140,248	159,277,219			677,095	50,233,651
16 OTHER INCOME								
Interest Income			-	-			-	-
Net foreign exchange gain			-	-			-	-
Miscellaneous Income			-	-			-	-
Profit on Sale of Assets			-	-			-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

	Year ended 31st March 2022		Year ended 31st March 2021	
	USD	₹	USD	₹
17 Other Comprehensive Income				
Other Comprehensive Income shall be classified into				
i) Items that will not be reclassified to profit or loss				
- Re-measurement gains (losses) on defined benefit plans				
Income tax effect				
- Revaluation of land and buildings				
Income tax effect				
- Net (loss)/gain on FVOCI equity securities				
Income tax effect				
ii) Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations		8,080		(408,893)
Income tax effect				
- Net movement on cash flow hedges				
Income tax effect				
- Net (loss)/gain on FVOCI debt securities				
Income tax effect		8,080		(408,893)
18 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages	83,223	6,193,451	172,719	12,814,042
Staff welfare expenses	30,939	2,302,480	9,034	670,252
	114,162	8,495,931	181,754	13,484,294
19 DEPRECIATION AND AMORTIZATION EXPENSE				
Depreciation of tangible assets	1,382	102,864	598	44,539
Amortization of intangible assets		-		-
	1,382	102,864	598	44,539
20 OTHER EXPENSES				
Rent	2,250	167,445	1,050	77,900
Rates & taxes [excluding taxes on Income]	1,127	83,890	2,918	216,486
Insurance	12,374	920,861	14,820	1,099,469
Repairs and maintenance				
- Building	-	-	-	-
Sub-contract expenses	1,793,632	133,482,103	471,575	34,986,112
Travel Expenses	48,500	3,609,404	-	-
Postage & Telecom Expenses	1,629	121,228	1,467	108,860
Consultancy	24,576	1,828,973	4,750	352,384
Bank Charges	1,512	112,517	1,676	124,315
Bad Debts	-	-	2,231	165,542
Miscellaneous expenses	95,323	7,093,911	43,003	3,190,427
	1,980,924	147,420,332	543,490	40,321,495

TVS Next Inc., USA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

	Year ended 31st March 2022		Year ended 31st March 2021	
	USD	₹	USD	₹
21 Income Tax				
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of Sundram Fasteners Limited at 33.99% and the reported tax expense in profit or loss are as follows:				
Profit or loss section				
Accounting profit before tax	43,780	3,258,092	(48,747)	(3,616,677)
Accounting profit before income tax				
i) At India's statutory income tax rate of 30.90% (31 March 2021: 30.90%)	13,528	1,006,750	(15,063)	(1,117,553)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
ii) Disallowances:				
a) Investments in subsidiaries and joint ventures written-off				
b) Other items				
iii) Allowances				
a) Differential impact on account book depreciation and income tax depreciation				
b) Weighted deduction on research and development expenditure				
c) Dividend income from domestic companies				
d) Book profit on sale of investments				
e) Other items				
iv) Deductions under the provision of Income tax act 1961				
v) Adjustments for current tax of previous years				
	13,528	1,006,750	(15,063)	(1,117,553)

	Year ended 31st March 2022		Year ended 31st March 2021	
	USD	₹	USD	₹
22 EARNINGS PER EQUITY SHARE				
Nominal value of equity shares	1		1	
Profit attributable to equity shareholders (A)	43,780	3,266,172	(48,747)	(4,025,570)
Weighted average number of equity shares outstanding during the year (B)	-		-	
Basic earnings per equity share (A/B) (in ₹)	0.12	8.87	(0.13)	(10.93)
Dilutive effect on profit (C)			-	
(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)			-	
Dilutive effect on weighted average number of equity shares outstanding during the year (E)			-	
Weighted average number of equity shares for computing diluted EPS (F) = (B+E)			-	
Diluted earnings per equity share (D/F) (in ₹)				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)**Summary of significant accounting policies and other explanatory information****23 RELATED PARTY DISCLOSURES****Related Parties :****(I) Where Control exists:****(A) Ultimate Holding Company**

1. TVS Sundram Fasteners Private Limited, Chennai, India (from February 4, 2022)
2. TV Sundram Iyengar & Sons Private Limited, Madurai, India (upto February 3, 2022)

(B) Holding Company

1. TVS Next Limited, Chennai
2. Sundram Fasteners Limited

Fellow -Subsidiary Companies**i. Domestic Subsidiary**

1. TVS Upasana Limited, Chennai
2. Sundram Fasteners Investments Limited, Chennai
3. Sundram Non Conventional Energy Systems Limited, Chennai
4. Sunfast TVS Limited, Chennai
5. TVS Engineering Limited, Chennai

ii. Foreign Subsidiary

1. Cramlington Precision Forge Ltd, United Kingdom
2. Sundram Fasteners (Zhejiang) Ltd, Zhejiang , Peoples Republic of China
3. Sundram International Inc , Michigan, USA
4. Sundram International Ltd, United Kingdom

(II) Other Related Parties with whom transactions have been entered into during the year :**(A) Key Management Personnel**

Mr Vinod Krishnan - Managing Director

(B) Relatives of Key Management Personnel

Ms Arundathi Krishna,

(C) Enterprise in which Key Management Personnel have significant influence

Nil

TVS Next Inc., USA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022 (Contd.)

(III) Transactions with related parties referred in (I) and (II) above, in ordinary course of business: *(continued)*

Nature of transaction	Holding Companies (USD)	Holding Companies (₹)
Services		
Rendered	\$3,68,150.90	27,905,838
	(\$1,76,956.80)	(12,939,081)
Received	\$10,69,253.65	81,696,903
	(\$1,22,018.24)	(8,921,974)
Finance		
Inter Corporate Deposit Paid (Net)	-	-
Interest on Inter Corporate Deposit	-	-
Loans & Interest receivable write - off	-	-
Dividend Received	-	-
Dividend Paid	-	-
Others		
Leasing or hire purchase arrangements	-	-
Guarantees & Collaterals	-	-
Management contracts, Including deputation of employees	-	-
Outstanding balances		
Due to the Company	\$368,150.90	27,905,838
	(\$531,980.32)	(38,898,401)
Due by the Company	\$758,036.83	57,459,192
	(\$586,066.59)	(42,853,189)

(Previous year figures are in brackets)

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 15, 2022