INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS OF TVS NEXT INC., USA FOR THE YEAR ENDED 31ST MARCH 2024

To the Board of Directors of TVS Next Inc, USA

Opinion

We have audited the special purpose financial statements ("SPFS") of TVS Next Inc, USA which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying SPFS of the company prepared, in all material aspects, in accordance with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rule, 2015, as amended, as applicable and other recognised accounting practices and policies.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility

Management is responsible for the preparation of these SPFS that give a true and fair view of the state of affairs, results of operations and cash flows of the Company in accordance with the applicable financial reporting provisions, the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the SPFS that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the SPFS 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 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 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 entity to cease to continue as a going concern.

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

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

Restriction on Use

This SPFS has been prepared for purposes of providing information to Sundram Fasteners Limited, Chennai to enable it to prepare the consolidated financial statements of the group and for enabling the group to file this financial information with regulatory authorities for complying with applicable laws and regulations.

This report is provided solely for the information and use of Sundram Fasteners Limited, Chennai to enable it to prepare the consolidated financial statements of the group for the year ended 31st March 2024 and to ensure other regulatory compliances.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm's Registration No. 004207S

P Viswanathan
Partner
Membership No: 224941
UDIN: 24224941BKCILM1861

Place: Chennai
Date: 22.04.2024

Balance Sheet as at 31st March 2024

Particulars	Note	As at 31st March 2024		As at 31st March 2023	
		USD	₹	USD	₹
ASSETS					
Non-current assets					
(a) Property, plant and equipment	5	**2,046**	**1,70,636**	1,734	1,42,478
(b) Tax Assets (net)	7A	**36,481**	**30,42,506**	27,905	22,92,945
		38,527	**32,13,142**	29,639	24,35,423
Current assets					
(a) Financial Assets					
(i) Trade receivables	9	**2,121,280**	**17,69,14,738**	1,448,217	11,90,00,008
(ii) Cash and cash equivalents	10	**47,886**	**39,93,682**	113,293	93,09,267
(iii) Others	6	**5,750**	**4,79,550**	15,000	12,32,571
(b) Other current assets	8	**21,658**	**18,06,242**	62,233	51,13,663
		2,196,574	**18,31,94,212**	1,638,743	13,46,55,509
Total assets		**2,235,101**	**18,64,07,354**	1,668,382	13,70,90,932
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	11	**368,170**	**3,07,05,378**	368,170	3,02,52,529
(b) Other equity (*)		**323,907**	**2,70,13,782**	226,228	1,85,89,147
Total equity		**692,077**	**5,77,19,160**	594,398	4,88,41,676
Liabilities					
Current liabilities					
(a) Financial liabilities					
(i) Trade Payables					
(A) Total outstanding dues of micro and small enterprises		**-**	**-**	-	-
(B) Total outstanding dues of creditors other than micro and small enterprises	12	**1,388,017**	**11,57,60,589**	1,003,232	8,24,35,560
(ii) Other financial liabilities	13	**13,818**	**11,52,422**	10,800	8,87,436
(b) Other current liabilities	14	**103,203**	**86,07,132**	15,364	12,62,477
(c) Current Tax Liabilities (Net)	7B	**37,986**	**31,68,051**	44,588	36,63,783
Total current liabilities		**1,543,024**	**12,86,88,194**	1,073,984	8,82,49,256
Total equity and liabilities		**2,235,101**	**18,64,07,354**	1,668,382	13,70,90,932

Notes 1 to 24 form an integral part of these financial statements
(*) Refer Statement of Changes in Equity for Additions and Deductions from Last year balance sheet.

For TVS Next Inc

Vinod Krishnan
Director

Place: Chennai
Date: 22.04.2024

As per our Report Annexed

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S

P. Viswanathan
Partner
Membership No. 224941

Statement of Profit and Loss for the year ended 31st March 2024

		Note	Year ended 31st March 2024		Year ended 31st March 2023	
			USD	₹	USD	₹
I	Revenue from operations	15	**7,481,170**	**61,95,15,648**	7,966,059	64,18,25,374
II	Other income	16	**6,413**	**5,31,050**	-	-
III	**Total Income (I + II)**		**7,487,583**	**62,00,46,698**	7,966,059	64,18,25,374
IV	**Expenses**					
	Employee benefits expense	18	**569,360**	**4,71,48,717**	243,544	1,96,22,370
	Depreciation and amortization expense	19	**1,500**	**1,24,199**	2,771	2,23,257
	Other expenses	20	**6,781,058**	**56,15,39,380**	7,507,421	60,48,72,918
	Total expenses		**7,351,918**	**60,88,12,296**	7,753,736	62,47,18,545
V	**Profit before exceptional items and tax (III - IV)**		**135,665**	**1,12,34,402**	212,323	1,71,06,829
VI	Exceptional item		**-**	**-**	-	-
VII	**Profit before tax (V-VI)**		**135,665**	**1,12,34,402**	212,323	1,71,06,829
VIII	**Tax expense**					
	a) Current tax		**37,986**	**31,45,639**	44,588	35,92,442
	b) Deferred tax		**-**	**-**	-	-
IX	**Profit for the Year from continuing operations (VII - VIII)**		**97,679**	**80,88,763**	167,735	1,35,14,387
X	**Profit / (loss) from discontinued operations**					
XI	Tax income / (expense) of discontinued operations		**-**	**-**	-	-
XII	**Profit/ (loss) from discountinued operations (after tax)(X - XI)**		**-**	**-**	-	-
XIII	**Profit/(loss) for the year (IX +XII)**		**97,679**	**80,88,763**	167,735	1,35,14,387
XIV	**Other comprehensive income**	17				
	i) Items that will not be reclassified to profit or loss			**-**		-
	ii) Items that will be reclassified to profit or loss			**-**		-
	(a) Exchange differences on translation of foreign operations		**-**	**(2,10,786)**	-	2,07,974
	Income tax relating to items that will be reclassified to profit or loss					
			-	**(2,10,786)**	-	2,07,974
XV	**Total comprehensive income for the year (XIII + XIV)** *(Comprising Profit and Other Comprehensive Income for the year)*		**97,679**	**78,77,977**	167,735	1,37,22,361
XVI	**Earnings per equity share (EPS)**	21				
	Basic (in ₹)		**0.27**	**21.97**	0.46	36.71
	Diluted (in ₹)		**0.27**	**21.97**	0.46	36.71
	Weighted average number of equity shares used in computing earnings per equity share					
	No of shares used in computing Basic & Diluted EPS		**368,170**	**3,68,170**	368,170	3,68,170

Notes 1 to 24 form an integral part of these financial statements

For TVS Next Inc

Vinod Krishnan
Director

Place: Chennai
Date: 22.04.2024

As per our Report Annexed

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S

P. Viswanathan
Partner
Membership No. 224941

Statements of Changes in Equity for the year ended 31st March 2024

A. Equity Share Capital

Particulars	Notes	Amount USD	Amount ₹
Balance at 1st April 2023		**368,170**	**3,02,52,529**
Foreign currency translation difference on opening balance		-	4,52,849
Changes in equity share capital during the year		-	-
Balance at 31st March 2024		**368,170**	**3,07,05,378**
Balance at 31st March 2022	11	**368,170**	**2,79,07,286**
Foreign currency translation difference on opening balance		-	23,45,243
Changes in equity share capital during the year		-	-
Balance at 31st March 2023		**368,170**	**3,02,52,529**

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 2023		**226,228**	**1,83,20,757**	**-**	**2,68,390**	**226,228**	**1,85,89,147**
Foreign currency translation difference on opening balance		**-**	**5,46,658**	**-**	**-**	**-**	**5,46,658**
Profit for the year		**97,679**	**80,88,763**	**-**	**-**	**97,679**	**80,88,763**
Other comprehensive income	17	**-**	**-**	**-**	**(2,10,786)**	**-**	**(2,10,786)**
Transferred from Retained earnings to general reserves		**-**	**-**	**-**	**-**	**-**	**-**
Dividends		**-**	**-**	**-**	**-**	**-**	**-**
Balances at 31st March 2024		**323,907**	**2,69,56,178**	**-**	**57,604**	**323,907**	**2,70,13,782**

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total	
		Retained Earnings		Foreign currency translation reserve			
		USD	₹	USD	₹	USD	₹
Balances at 1st April 2022		58,493	43,73,344	-	60,416	58,493	44,33,760
Foreign currency translation difference on opening balance		-	4,33,026	-	-	-	4,33,026
Profit for the year		167,735	1,35,14,387	-	-	167,735	1,35,14,387
Other comprehensive income	17	-	-	-	2,07,974	-	2,07,974
Transferred from Retained earnings to general reserves		-	-	-	-	-	-
Dividends		-	-	-	-	-	-
Balances at 31st March 2023		226,228	1,83,20,757	-	2,68,390	226,228	1,85,89,147

Notes 1 to 24 form an integral part of these financial statements

For TVS Next Inc

Vinod Krishnan
Director

Place: Chennai
Date: 22.04.2024

As per our Report Annexed

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S

P. Viswanathan
Partner
Membership No. 224941

Cash Flow Statement for the year ended 31st March 2024

		Year ended 31st March 2024		Year ended 31st March 2023	
		USD	**₹**	USD	₹
A.	**Cash flows from operating activities**				
	Profit before tax	**135,665**	**1,12,34,402**	2,12,323	1,71,06,829
	Adjustments to reconcile net income to net cash provided by operating activities				
	Depreciation and amortization	**1,500**	**1,24,199**	2,771	2,23,257
	(Gain) / Loss on sale/write off of property and equipment	**-**	**-**	4,198	3,38,237
	Operating profit before working capital changes - a	**137,165**	**1,13,58,601**	219,292	1,76,68,323
	Adjustments for:				
	(Increase)/Decrease in trade receivables	**(673,063)**	**(5,57,36,347)**	(550,040)	(5,09,18,154)
	(Increase) /Decrease in current financial assets	**9,250**	**7,65,993**	9,033	5,89,155
	(Increase)/Decrease in other current assets	**40,575**	**33,60,016**	(53,316)	(44,37,759)
	Increase in trade payables	**384,785**	**3,18,64,046**	199,942	2,15,46,158
	(Decrease)/ Increase in financial & other liabilities	**90,857**	**75,23,868**	(5,612)	(2,58,669)
	Cash from / (used) in operating activities - b	**(147,596)**	**(1,22,22,424)**	(399,993)	(3,34,79,269)
	Direct taxes paid, net - c	**(53,164)**	**(44,02,511)**	-	-
	Net cash from/ (used) in operating activities (a+b+c)	**(63,595)**	**(52,66,334)**	(180,701)	(1,58,10,946)
B.	**Cash flow from investing activities**				
	Purchase of assets (including capital work-in-progress and capital advances)	**(1,812)**	**(1,49,834)**	-	-
	Net cash from / (used) in investing activities	**(1,812)**	**(1,49,834)**	-	-
C.	**Cash flow from financing activities**	**-**	**-**	-	-
D.	**Net cash flows during the year (A+B+C)**	**(65,407)**	**(54,16,168)**	(180,701)	(1,58,10,946)
E.	Foreign Currency Translation Reserve Impact on cash flows	**-**	**1,00,583**	-	28,35,505
F.	Cash and cash equivalents at the beginning	**113,293**	**93,09,267**	293,994	2,22,84,708
G.	**Cash and cash equivalents at the end (D+E+F)**	**47,886**	**39,93,682**	113,293	93,09,267
	Cash and cash equivalents comprise of:				
	Cash on hand	**-**	**-**	-	-
	Balances with banks in current accounts	**47,886**	**39,93,682**	113,293	93,09,267
	Cash and cash equivalents as per note 10	**47,886**	**39,93,682**	113,293	93,09,267

Note : The above statement of cash flows is prepared under indirect method.
Notes 1 to 24 form an integral part of these financial statements

For TVS Next Inc

Vinod Krishnan
Director

Place: Chennai
Date: 22.04.2024

As per our Report Annexed

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S

P. Viswanathan
Partner
Membership No. 224941

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

1. Corporate information

TVS Next Inc (formerly known as TVS Infotech Inc.,) ("the Company") is incorporated in United States of America and is a subsidiary of TVS Next Limited, Chennai. The Company was incorporated under the Laws of Michigan and the registered office of the Company is situated at No. 1604, US HIGHWAY 130, North Brunswick, New Jersey 08902. The Company is primarily engaged in the business of providing IT services to various customers.

2. Basis of preparation

2.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Company's accounting policies are included in note 3.

2.2 Functional and presentation currency

These financial statements are presented in US Dollar ($) and Indian Rupees (Rs.). The Functional Currency of the Company is US Dollar ($).

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities	Fair value

2.4 Use of estimates and judgments

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant management judgment

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

Assumptions and estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

- Note 3.2.3: Useful lives of property, plant and equipment
- Note 3.4: Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3.7: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

2.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low-level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it is not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.6 Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and services and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3. Summary of material accounting policies

These financial statements have been prepared applying significant accounting policies and measurement bases summarized below:

1. Revenue recognition

The Company earns revenue primarily from providing IT services. The performance obligations and revenue recognition policies of the Company are as follows:

1.1 Sale of services:

Revenue on time and material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and when there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

2. Property, plant and equipment

2.1 Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

2.2 Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.

2.3 Depreciation:

a. Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment.

b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset on straight line method.

c. The estimated useful life of the property, plant and equipment on technical assessment followed by the Company is furnished below:

Asset category	Management estimate of useful life (in years)
Plant and equipment	3
Office equipment	5

d. The residual value for all the above assets are retained at 5% of the cost.

e. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.

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

3. Financial instruments

3.1 Recognition and initial measurement:

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction does not contain significant financing component.

3.2 Financial assets

3.2.1 Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing financial asset and contractual cash flow characteristics of financial asset at:

a. Those measured at amortized cost

b. Those to be measured at Fair value through profit and loss (FVTPL) and

c. Those to be measured at Fair value through other comprehensive income.(FVTOCI)

a) Financial assets at amortised cost

Includes assets that are held within a business model where objective is to hold financial assets to collect contractual cash flows and contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in statement of profit and loss.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Includes assets that are held within a business model where objective is both collecting contractual cash flows and selling financial assets along with contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. The Company has made an irrevocable election to present in other comprehensive income changes in fair value of an investment in an equity instrument that is not held for trading. This selection is made on instrument-by instrument basis.

Dividends are recognised as income in profit or loss unless it clearly represents a recovery of part of cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

c) Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Company also measures loss allowance for financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in profit and loss.

3.2.2 Derivative financial instruments and hedge accounting

Derivative financial instruments are accounted for at FVTPL except for derivatives designated as hedging instruments in cash flow hedge relationships, which require a specific accounting treatment. To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness. These arrangements have been entered to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Company has not designated any forward currency contracts as hedging instruments.

3.2.3 De-recognition of financial assets

A financial asset is derecognised only when;

a. The Company has transferred the rights to receive cash flows from the financial asset or

b. The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of financial asset. In such cases, financial asset is derecognised. Where entity has not transferred substantially all risks and rewards of ownership of financial asset, such financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

3.3 Financial Liabilities

3.3.1 Classification of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables.

3.3.2 Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

3.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4. Impairment

4.1 Impairment of financial instruments

The Company recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

4.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

4.1.2 Presentation of allowance for expected credit losses in the balance sheet

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

4.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

4.2 Impairment of non-financial assets

The Company’s non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

5. Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax is recognised in respect of temporary difference between carrying amount of assets and liabilities for financial reporting purposes and corresponding amounts used for tax purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.

6. Post-employment benefits and short-term employee benefits

a. Short term employee benefit obligations:

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

With respect to bonus, the Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

b. Other long-term employee benefit obligations:

These obligations represent liability towards compensated absences that are not expected to be settled wholly within a period of 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in balance sheet if entity does not have an unconditional right to defer settlement for at least 12 months after reporting period, regardless of when the actual settlement is expected to occur.

7. Provisions and contingent liabilities

a. Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

b. Onerous contract

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

c. Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

d. Contingent assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

8. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

9. Cash and cash equivalents and cash flow statement

Cash and cash equivalents comprise cash on hand and balance with banks in current account which are subject to only an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit/ (loss) before extraordinary items and tax is appropriately classified for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of three months or less.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

10. Segment reporting

The Company is engaged in provision of IT services and thus there is only one reportable segment.

11. Foreign currency transactions

In preparing financial statements, transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

Accounting for effect of change in foreign exchange rates

The Assets and Liabilities as at 31st March 2024 has been translated from US Dollars to Indian Rupees by applying the year end interbank exchange rate of 1 USD = Rs. 83.40 (31.03.2023 – Rs.82.17). The incomes and expenses for the year ended 31st March 2024 has been translated from US Dollars to Indian Rupees by applying Average interbank exchange rate 1 USD = Rs. 82.81 (31.03.2023 – Rs. 80.57). Exchange differences arising out of the translation have been dealt with in accordance with Ind AS 21.

The Company's Functional Currency is US Dollars. But these financial statements are presented in Indian Rupees in order to facilitate the preparation of consolidated financial statements by Sundram Fasteners Limited, which is the ultimate holding company of TVS Next Inc.

4. A. Applicability of Amendments to existing standards issued but not effective - Nil

B. Applicability of New Indian Accounting Standard issued but not effective - Nil

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024

5 Property, plant and equipment

Particulars	Plant and Equipment		Furniture and fixtures		Office Equipments		Total	
	USD	₹	USD	₹	USD	₹	USD	₹
Gross block								
As at 01st April 2022	5,967	4,52,300	314	23,801	7,091	5,37,483	13,372	10,13,584
Additions	-	-	-	-	-	-	-	-
Disposal	(592)	(44,874)	(314)	(23,801)	(4,592)	(3,48,081)	(5,498)	(4,16,756)
Restatement of opening balance	-	34,239	-	-	-	15,915	-	50,154
As at 31st March 2023	**5,375**	**4,41,665**	**-**	**-**	**2,499**	**2,05,317**	**7,874**	**6,46,982**
Additions	1,812	1,49,834	-	-	-	-	1,812	1,49,834
Disposal	-	-	-	-	-	-	-	-
Restatement of opening balance	-	7,862	-	-	-	3,073	-	10,935
As at 31st March 2024	**7,187**	**5,99,361**	**-**	**-**	**2,499**	**2,08,390**	**9,686**	**8,07,751**
Accumulated depreciation / amortisation								
As at 01st April 2022	1,796	1,36,162	100	7,581	2,728	2,06,783	4,624	3,50,526
For the year	2,296	1,85,006	-	-	475	38,251	2,771	2,23,257
Deduction on disposal	-	-	(100)	(7,581)	(1,200)	(91,002)	(1,300)	(98,583)
Other Adjustments	-	-	-	-	45	3,411	45	3,411
Restatement of opening balance	-	2,479	-	-	-	2,170	-	4,649
Restatement of Current year dep.	-	12,638	-	-	-	8,606	-	21,244
As at 31st March 2023	**4,092**	**3,36,285**	**-**	**-**	**2,048**	**1,68,219**	**6,140**	**5,04,504**
For the year	1,310	1,08,448	-	-	190	15,751	1,500	1,24,199
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on sale or discards	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
Restatement of opening balance	-	5,034	-	-	-	2,519	-	7,553
Restatement of Current year dep.	-	752	-	-	-	107	-	859
- Impairment loss/(reversal)	-	-	-	-	-	-	-	-
As at 31st March 2024	**5,402**	**4,50,519**	**-**	**-**	**2,238**	**1,86,596**	**7,640**	**6,37,115**
Net block								
As at 31st March 2023	1,283	1,05,380	-	-	451	37,098	1,734	1,42,478
As at 31st March 2024	**1,785**	**1,48,842**	**-**	**-**	**261**	**21,794**	**2,046**	**1,70,636**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

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

Particulars	As at 31st March 2024				As at 31st March 2023			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
(a) Depsosit with Free Zone Establishment (FZE), UAE	-	-	5,000	4,17,000	-	-	5,000	4,10,850
(b) Security Deposit	-	-	750	62,550	-	-	-	-
(c) Receivable from vendor	-	-	-	-	-	-	10,000	8,21,721
	-	-	5,750	4,79,550	-	-	15,000	12,32,571

	As at 31st March 2024				As at 31st March 2023			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
7A Tax Assets (net)								
(a) Federal & State Tax Paid	36,481	30,42,506	-	-	27,905	22,92,945	-	-
	36,481	30,42,506	-	-	27,905	22,92,945	-	-
7B Tax Liabilities (net)								
(a) Provision for federal tax	-	-	37,986	31,68,051	-	-	44,588	36,63,783
	-	-	37,986	31,68,051	-	-	44,588	36,63,783

	As at 31st March 2024				As at 31st March 2023			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
8 OTHER ASSETS								
(Unsecured, considered good)								
(a) Prepaid expenses	-	-	21,658	18,06,242	-	-	62,233	51,13,663
	-	-	21,658	18,06,242	-	-	62,233	51,13,663
9 TRADE RECEIVABLES								
(a) Considered good - Secured	-	-	-	-	-	-	-	-
(b) Considered good - Unsecured	-	-	2,121,280	17,69,14,738	-	-	1,448,217	11,90,00,008
(c) Receivables which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
(d) Receivables - Credit impaired	-	-	-	-	-	-	-	-
	-		2,121,280	17,69,14,738			1,448,217	11,90,00,008
Less: Loss allowance for bad and doubtful debts	-	-	-	-	-	-	-	-
Total	-	-	2,121,280	17,69,14,738	-	-	1,448,217	11,90,00,008
(e) Trade Receivables from Related Parties	-	-	6,413	5,34,833	-	-	-	-

(f) Trade Receivables ageing schedule:

(i) Undisputed Trade receivables – considered good - Outstanding for following periods from due date of payment								
Not Due	**-**	**-**	**1,595,999**	**13,31,06,277**	-	-	297,418	2,44,38,837
Less than 6 Months	**-**	**-**	**67,756**	**56,50,876**	-	-	475,637	3,90,83,076
6 Months to 1 Year	**-**	**-**	-	-	-	-	3,840	3,15,533
(ii) Disputed Trade receivables	**-**	**-**	-	-	-	-	-	-
(iii) Unbilled Receivables (*)	**-**	**-**	457,525	3,81,57,585	**-**	**-**	671,322	5,51,62,562
	-	**-**	**2,121,280**	**17,69,14,738**	-	-	1,448,217	11,90,00,008
Doubtful								
Less : Provision for bad and doubtful debts	-	-	-	-	-	-	-	-
	-	**-**	**2,121,280**	**176,914,738**	**-**	**-**	**1,448,217**	**119,000,008**

(*) Unbilled revenue classified as part of other financial assets amounting to $ 6,71,322 for the year ended 31st March 2023 has been reclassified to Trade Receivables in order to conform with current year's classification.

	As at 31st March 2024				**As at 31st March 2023**			
	Long-term		**Short-term**		**Long-term**		**Short-term**	
	USD	₹	USD	₹	USD	₹	USD	₹
10 CASH AND CASH EQUIVALENTS								
a) Cash and bank balances								
Balances with banks in current accounts	-	-	47,886	39,93,682	-	-	113,293	93,09,267
	-	**-**	**47,886**	**39,93,682**	**-**	**-**	**113,293**	**93,09,267**

	As at 31st March 2024			**As at 31st March 2023**		
	Number	**USD**	**₹**	**Number**	**USD**	**₹**
11 SHARE CAPITAL						
Authorised						
60,000 Common Shares	**60,000**			60,000		
Issued, subscribed and fully paid up						
20,000 common shares of USD 1/- each fully paid up	**20,000**	**20,000**	**3,07,05,378**	20,000	20,000	3,02,52,529
34,817 Common Shares of USD 10/- each fully paid up	**34,817**	**3,48,170**		34,817	348,170	
	54,817	**3,68,170**	**3,07,05,378**	54,817	368,170	3,02,52,529

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

Shareholder Name	**Nos.**	**% holding**	Nos.	% holding
TVS Next Limited, Chennai	**54,817**	**100%**	54,817	100%
	54,817	**100%**	54,817	100%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

11 Share Capital - (Contd.)

c) Rights, preferences, restrictions

Equity shares

The Company has two class of equity shares having a par value of USD 10 per share and USD 1 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Bonus Shares/ Buy Back/ Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31st March 2024:

(i) Aggregate number of equity shares allotted as fully paid up pursuant to contracts without payment being received in cash : Nil

(ii) Aggregate number of equity shares allotted as fully paid up by way of Bonus Shares : Nil

(iii) Aggregate number of equity shares bought back : Nil

e) Shares held by holding Company

Name of the Company	**As at 31st March 2024**	As at 31st March 2023
TVS Next Limited, Chennai	**Number of shares - 54,817**	Number of shares - 54,817

f) Shares held by promoter at the end of the year

	As at 31st March 2024		
Promoter name	**No. of shares held**	**% of total shares**	**% of change during the year**
TVS Next Limited, Chennai	**54,817**	**100%**	**-**

Shares held by promoter at the end of the previous year

	As at 31st March 2023		
Promoter name	No. of shares held	% of total shares	% of change during the year
TVS Next Limited, Chennai	54,817	100%	-

g) 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 company. The primary objective of the company'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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

	As at 31st March 2024				As at 31st March 2023			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
12 TRADE PAYABLES								
(i) Dues to micro and small enterprises	-	-	-	-	-	-	-	-
(ii) Dues of creditors other than micro and small enterprises	-	-	1,388,017	11,57,60,589	-	-	1,003,232	8,24,35,560
	-	-	1,388,017	11,57,60,589	-	-	1,003,232	8,24,35,560
a) Of the above, trade payable to related parties	-	-	1,268,101	10,57,59,592	-	-	854,774	7,02,36,817
b) Trade Payable Ageing Schedule								
Outstanding for following periods from due date of payment								
i) MSME - Not Due	-	-	-	-	-	-	-	-
ii) Others - No Due	-	-	1,079,907	9,00,64,244	-	-	1,003,232	8,24,35,560
- Less than 6 Month	-	-	308,110	2,56,96,345	-	-	-	-
- 1 to 2 Years	-	-	-	-	-	-	-	-
- 2 to 3 Years	-	-	-	-	-	-	-	-
- More than 3 Years	-	-	-	-	-	-	-	-
iii) Disputed Dues - MSME & Others	-	-	-	-	-	-	-	-
Total	-	-	1,388,017	11,57,60,589	-	-	1,003,232	8,24,35,560
13 OTHER FINANCIAL LIABILITIES								
(a) Payable to employees	-	-	13,818	11,52,422	-	-	10,800	8,87,436
	-	-	13,818	11,52,422	-	-	10,800	8,87,436
14 OTHER CURRENT LIABILITIES								
Statutory dues	-	-	19,855	16,55,909	-	-	15,364	12,62,477
Advance from customers	-	-	83,348	69,51,223	-	-	-	-
	-	-	103,203	86,07,132	-	-	15,364	12,62,477

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

		Year ended 31st March 2024		Year ended 31st March 2023	
		USD	₹	USD	₹
15	**REVENUE FROM OPERATIONS**				
	Sale of service				
	Domestic Sales	7,481,170	61,95,15,648	7,966,059	64,18,25,374
	Revenue from operations (Gross)	7,481,170	61,95,15,648	7,966,059	64,18,25,374
16	**OTHER INCOME**	6,413	5,31,050	-	-
	Miscellaneous Income (Reimbursement of Expenses)	6,413	5,31,050	-	-
17	**Other Comprehensive Income**				
	Other Comprehensive Income shall be classified into				
	i) Items that will not be reclassified to profit or loss	-	-	-	-
	ii) Items that will be reclassified to profit or loss				
	Exchange differences on translation of foreign operations	-	(2,10,786)	-	2,07,974
	Income tax effect	-	-	-	-
		-	(2,10,786)	-	2,07,974
18	**EMPLOYEE BENEFITS EXPENSE**				
	Salaries and wages	524,618	4,34,43,641	215,390	1,73,54,008
	Staff welfare expenses	44,742	37,05,076	28,154	22,68,362
		569,360	4,71,48,717	243,544	1,96,22,370
19	**DEPRECIATION AND AMORTIZATION EXPENSE**				
	Depreciation of tangible assets	1,500	1,24,199	2,771	2,23,257
	Amortization of intangible assets	-	-	-	-
		1,500	1,24,199	2,771	2,23,257
20	**OTHER EXPENSES**				
	Rent	7,750	6,41,778	3,000	2,41,710
	Rates & taxes [excluding taxes on Income]	80	6,659	12,763	10,28,329
	Insurance	20,108	16,65,142	20,796	16,75,531
	Sub-contract expenses	6,283,981	52,03,76,457	7,060,626	56,88,74,676
	Write off of assets	-	-	4,198	3,38,237
	Travel Expenses	127,251	1,05,37,682	42,764	34,45,460
	Postage & Telecom Expenses	1,466	1,21,437	1,398	1,12,659
	Consultancy	10,784	8,93,056	14,500	11,68,265
	Bank Charges	1,103	91,339	1,295	1,04,299
	Bad Debts	3,840	3,17,990	82,943	70,85,559
	Legal Fees	1,636	1,35,498	138,227	1,11,36,935
	Marketing Expenses	228,294	1,89,05,039	78,574	63,30,744
	Miscellaneous expenses (No expenditure is in excess of one percent of revenue from operations or Rs.10 Lakhs whichever is higher)	94,765	78,47,303	46,337	33,30,514
		6,781,058	56,15,39,380	7,507,421	60,48,72,918

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

	Year ended 31st March 2024		Year ended 31st March 2023	
	USD	₹	USD	₹
21 EARNINGS PER EQUITY SHARE				
Nominal value of equity shares	**1/10**		1/10	
Profit attributable to equity shareholders (A)	**97,679**	**80,88,763**	167,735	1,35,14,387
Weighted average number of equity shares outstanding during the year (B) - Number of Shares	**3,68,170**		3,68,170	
Basic earnings per equity share (A/B) (in $ / ₹)	**0.27**	**21.97**	0.46	36.71

	Year ended 31st March 2024		Year ended 31st March 2023	
	USD	₹	USD	₹
22 Income Tax				
A. Amount recognised in statement of profi t and loss:				
Tax expense comprises of:				
Current income tax:				
Current income tax charge	37,986	31,45,639	44,588	35,92,442
Adjustments in respect of current income tax of previous year	-	-	-	-
Deferred tax:				
Relating to recognition and reversal of temporary differences	-	-	-	-
	37,986	**31,45,639**	**44,588**	**35,92,442**
B. Income tax recognised in other comprehensive income	-	-	-	-
C. Reconciliation of effective tax rate				
Net Profit before tax	135,665	1,12,34,402	212,323	1,71,06,829
i) Tax using the Company's domestic tax rate 28% (31.03.2023-21%)	37,986	31,45,639	44,588	35,92,442
ii) Adjustments for current tax of previous years	-	-	-	-
Total	**37,986**	**31,45,639**	**44,588**	**35,92,442**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2024 (Contd.)

23 A. Disclosure of Ratios

Ratios	Formula	For the year ended / As at 31st March 2024	For the year ended / As at 31st March 2023	Variance
Current Ratio	Current assets / current liabilities	1.42	1.53	(7.19%)
Debt-Equity Ratio	Total debt / shareholder's equity	Not Applicable	Not Applicable	-
Debt Service Coverage Ratio	Earnings Available for Debt Service / (Interest Payments + Principal Repayments)	Not Applicable	Not Applicable	-
Return on Equity Ratio	Net Profit after Tax / Average shareholder's equity	15.18%	33.29%	(18.11%)
Inventory turnover ratio	Sales / Average inventory	Not Applicable	Not Applicable	-
Trade Receivables turnover ratio	Revenue from Operations / Average Trade Receivables	4.19	12.36	(48.08%)*
Trade payables turnover ratio	Net credit purchase / Average Trade Payables	Not Applicable	Not Applicable	-
Net capital turnover ratio	Revenue from Operations / working capital	11.37	13.83	(17.79%)
Net profit ratio	Net Profit after Tax / Revenue from Operations	1.31%	2.11%	(0.80%)
Return on Capital employed	Earnings Before Interest and Tax / Capital employed	19.46%	35.03%	(15.57%)
Return on investment	Net Return / Cost of Investment	Not Applicable	Not Applicable	-

B. Explanation for any change in the ratio by more than 25% as compared to the ratio of preceding year:

* The reason for changes in the above ratios are due to increase in trade receivables at the end of the year.

24 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate Holding Company

1. Sundram Fasteners Ltd., Chennai

(B) Holding Company

1. TVS Next Limited, Chennai

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

24 RELATED PARTY DISCLOSURES (Contd.)

(II) Other Related Parties

(A) Key Management Personnel

Mr Vinod Krishnan - Managing Director of TVS Next Ltd., Chennai

(B) Relatives of Key Management Personnel

Ms Arundathi Krishna, Joint Managing Director of Sundram Fasteners Ltd., Chennai

(III) Transactions with related parties referred in (I) (B) above, in ordinary course of business:

Nature of transaction	Holding Companies (USD)	Holding Companies (₹)
Services - Rendered	**$6,413**	**5,31,050**
(Reimbursement of Expenses)	**-**	**-**
Services - Received	$5,852,016	48,46,05,474
	($6,504,616)	**(52,40,76,901)**
Services - Received	-	-
(Reimbursement of Expenses)	($13,250)	(10,67,553)
Outstanding balances		
Due to the Company	**$6,413**	**5,34,833**
	-	-
Due by the Company	**$1,268,101**	**10,57,59,592**
	($854,774)	(7,02,36,817)

(Previous year figures are in brackets)

For TVS Next Inc

Vinod Krishnan
Director

Place: Chennai
Date: 22.04.2024

As per our Report Annexed

For Sundaram & Srinivasan
Chartered Accountants
Firm Registration No. 004207S

P. Viswanathan
Partner
Membership No. 224941