

TVS Next Inc., USA

(Formerly TVS Infotech Inc.)

ANNUAL REPORT

**for the year ended
March 31, 2021**

TVS Next Inc., USA (Formerly TVS Infotech Inc.)

Balance Sheet as at 31st March 2021

Particulars	Note	As at 31st March 2021		As at 31st March 2020	
		USD	₹	USD	₹
ASSETS					
Non-current assets					
Property, plant and equipment	5	7,568	553,379	8,166	615,680
- Others	6	4,740	346,607	7,110	536,042
Assets for current tax (net)	7	27,905	2,040,405	27,905	2,103,749
		40,213	2,940,391	43,181	3,255,471
Current assets					
- Trade receivables	9	615,985	45,040,817	689,192	51,958,216
- Cash and cash equivalents	10	474,005	34,659,247	407,848	30,747,625
- Other bank balances	10	10,000	731,200	10,000	753,900
- Other	6	4,371	319,640	26,371	1,988,143
Other current assets	8	-	-	-	-
		1,104,361	80,750,904	1,133,411	85,447,884
Total assets		1,144,575	83,691,295	1,176,593	88,703,355
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	11	368,170	26,920,590	368,170	27,756,336
Other equity		14,713	1,075,824	63,460	4,784,218
Total equity		382,883	27,996,415	431,630	32,540,554
Liabilities					
Current liabilities					
Financial liabilities					
Dues to others	12	728,307	53,253,788	708,003	53,376,368
- Other financial liabilities	13	8,061	589,450	11,718	883,398
Other current liabilities	14	25,323	1,851,642	25,242	1,903,035
Total current liabilities		761,692	55,694,880	744,963	56,162,801
Total equity and liabilities		1,144,575	83,691,295	1,176,593	88,703,355

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 28, 2021

TVS Next Inc., USA (Formerly TVS Infotech Inc.)

Statement of Profit and Loss for the year ended 31st March 2021

	Note	Year ended 31st March 2021		Year ended 31st March 2020	
		USD	₹	USD	₹
Revenue from operations	15	677,095	50,233,651	1,529,215	108,604,814
Other income	16	-	-	-	-
Total Income		677,095	50,233,651	1,529,215	108,604,814
Expenses					
Employee benefits expense	18	181,754	13,484,294	296,942	21,088,845
Depreciation and amortization expense	19	598	44,539	1,316	93,471
Other expenses	20	543,490	40,321,495	1,266,374	89,937,848
Total expenses		725,841	53,850,328	1,564,632	111,120,164
Profit before exceptional items and tax		(48,747)	(3,616,677)	(35,417)	(2,515,350)
Exceptional item				-	-
Profit before tax		(48,747)	(3,616,677)	(35,417)	(2,515,350)
Tax expense					
a) Current tax	21	-	-	-	-
b) Deferred tax					
c) Adjustment of tax relating to earlier periods					
Profit for the Year from continuing operations		(48,747)	(3,616,677)	(35,417)	(2,515,350)
Profit / (loss) from discontinued operations					
Tax income / (expense) of discontinued operations		-	-	-	-
Profit / (loss) from discontinued operations (after tax)		-	-	-	-
Profit / (loss) for the period		(48,747)	(3,616,677)	(35,417)	(2,515,350)
Other comprehensive income					
i) Items that will not be reclassified to profit or loss	17				
- Income tax relating to items that will not be reclassified to profit or loss		-	-	-	-
ii) Items that will be reclassified to profit or loss					
- Income tax relating to items that will be reclassified to profit or loss		-	(408,893)	-	537,646
		-	-	-	-
			(408,893)		537,646
Total comprehensive income for the year <i>(Comprising Profit and Other Comprehensive Income for the year)</i>		(48,747)	(4,025,570)	(35,417)	(1,977,704)
Earnings per equity share					
Basic	21	(0.13)	(10.93)	(0.10)	(5.37)
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 28, 2021

Statements of Changes in Equity for the year ended 31st March 2021

A. Equity Share Capital

Particulars	Notes	Amount	
		USD	₹
Balance at 1st April 2019	16	368,170	27,756,336
Restatement of opening balance		-	-
Balance at 31st March 2020		368,170	27,756,336
Restatement of opening balance		-	(835,746)
Balance at 31st March 2021		368,170	26,920,590

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 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

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total	
		Retained Earnings		Foreign currency translation reserve			
		USD	₹	USD	₹	USD	₹
Balances at 1st April 2019	13	98,877	6,914,694	-	(76,417)	98,877	6,838,277
Restatement of opening balance			(76,354)				(76,354)
Profit for the year		(35,417)	(2,515,350)	-		(35,417)	(2,515,350)
Other comprehensive income	26	-	-	-	537,646	-	537,646
Transferred from Retained earnings to general reserves		-	-	-	-	-	-
Dividends	14	-	-	-	-	-	-
Balances at 31st March 2020		63,460	4,322,989	-	461,229	63,460	4,784,218

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 28, 2021

TVS Next Inc., USA (Formerly TVS Infotech Inc.)

Cash Flow Statement for the year ended 31st March 2021

	Year ended 31st March 2021		Year ended 31st March 2020	
	USD	₹	USD	₹
A. Cash flows from operating activities				
Profit before tax	(48,747)	(3,616,677)	(35,417)	(2,515,350)
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Depreciation and amortization	598	44,539	1,316	93,471
Operating profit before working capital changes	(48,149)	(3,572,138)	(34,101)	(2,421,879)
Adjustments for:				
Decrease in trade payables	20,303	(122,580)	249,700	21,680,087
(Decrease) / increase in other current liabilities	(3,575)	(345,341)	(25,055)	(1,502,542)
(Increase) / Decrease in trade receivables	73,208	6,917,399	(146,632)	(14,434,733)
(Increase) / Decrease in other non-current assets	2,370	252,779	(1,250)	(304,569)
(Increase) / decrease in other current assets	22,000	1,668,503	11,148	606,693
Cash from / (used) in operating activities	114,306	8,370,760	87,912	6,044,936
Direct taxes paid, net	-	-	-	-
Net cash from / (used) in operating activities before extraordinary item	66,157	4,798,622	53,810	3,623,057
Net cash from / (used) in operating activities	66,157	4,798,622	53,810	3,623,057
B. Cash flow from investing activities				
Purchase of assets (including capital work-in-progress and capital advances)	-	-	(3,736)	(281,626)
Net cash from / (used) in investing activities	-	-	(3,736)	(281,626)
C. Cash flow from financing activities				
Exchange difference on account of translation of foreign currency cash and cash equivalents (4)	-	(887,000)	-	2,662,601
Net cash generated from financing activities	-	(887,000)	-	2,662,601
D. Net cash flows during the year	66,157	3,911,622	50,075	6,004,032
E. Cash and cash equivalents at the beginning	407,848	30,747,625	357,773	24,743,593
G. Cash and cash equivalents at the end	474,005	34,659,247	407,848	30,747,625
Cash and cash equivalents comprise of:				
Cash on hand	-	-	-	-
Balances with banks in current accounts	474,005	34,659,247	407,848	30,747,625
Cash and cash equivalents as per note 20	-	-	-	-

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 28, 2021

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021

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 2019	592	40,943	314	21,716	6,169	426,621	7,075	489,280
Additions (refer note a below)	2,813	212,104	-	-	922	69,522	3,736	281,626
Disposal	-	-	-	-	-	-	-	-
Restatement of opening balance	-	3,688	-	1,956	-	38,430	-	44,075
- Transfer	-	-	-	-	-	-	-	-
As at 31st March 2020	3,405	256,735	314	23,672	7,091	534,574	10,810	814,981
Additions	-	-	-	-	-	-	-	-
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
Accumulated depreciation / amortisation								
As at 01st April 2019	-	-	52	3,597	1,276	88,248	1,328	91,845
For the year	668	47,450	15	1,065	633	44,956	1,316	93,471
Deduction on sale or discards	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
- Transfer	-	-	-	-	-	-	-	-
Restatement of opening balance	-	-	-	322	-	7,911	-	8,234
Restatement of Current year dep.	-	2,920	-	66	-	2,766	-	5,751
- Impairment loss / (reversal)	-	-	-	-	-	-	-	-
As at 31st March 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
Impairment for the year	-	-	-	-	-	-	-	-
Deduction on sale or discards	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-
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
Net block								
As at 31st March 2020	2,737	206,365	247	18,623	5,182	390,692	8,166	615,680
As at 31st March 2021	2,514	183,846	231	16,891	4,823	352,642	7,568	553,379

TVS Next Inc., USA (Formerly TVS Infotech Inc.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

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

	As at 31st March 2021				As at 31st March 2020			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
Security deposits	-	-	-	-	-	-	-	-
Advances recoverable	4,740	346,607	4,371	319,640	7,110	536,042	26,371	1,988,143
Advances recoverable from Others	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
	4,740	346,607	4,371	319,640	7,110	536,042	26,371	1,988,143

7 Assets for current tax (net)

	As at 31st March 2021				As at 31st March 2020			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
Advance Income-tax (net of provision for taxation 31st March 2020: \$ 27,905)	27,905	2,040,405	-	-	27,905	2,103,749	-	-
	27,905	2,040,405	-	-	27,905	2,103,749	-	-

8 OTHER ASSETS

(Unsecured, considered good)

	As at 31st March 2021				As at 31st March 2020			
	Long-term		Short-term		Long-term		Short-term	
	USD	₹	USD	₹	USD	₹	USD	₹
Less: Provision for doubtful debts-others	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Others (Unbilled Revenue)	-	-	-	-	-	-	-	-
Unamortised portion of leasehold land	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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	-	-	615,985	45,040,817	-	-	689,192	51,958,216
	-	-	615,985	45,040,817	-	-	689,192	51,958,216

Doubtful

Less : Provision for bad and doubtful debts

	-	-	615,985	45,040,817	-	-	689,192	51,958,216
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Movements in the provision for impairment of receivables

Opening Balance	-	-	615,985	45,040,817	-	-	689,192	51,958,216
Amount written off (uncollectable)			-	-				
Impairment loss			-	-				
Closing balance	-	-	615,985	45,040,817	-	-	689,192	51,958,216

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	As at 31st March 2021				As at 31st March 2020			
	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	-	-	474,005	34,659,247	-	-	407,848	30,747,625
(A)	-	-	474,005	34,659,247	-	-	407,848	30,747,625
	-	-	474,005	34,659,247	-	-	407,848	30,747,625
Other bank balances								
Balance with banks other than mentioned above	10,000	731,200	-	-	10,000	753,900	-	-

	As at 31st March 2021			As at 31st March 2020		
	Number	USD	₹	Number	USD	₹
	11 SHARE CAPITAL					
Authorised						
60,000 Common Shares	60,000	368,170	26,920,590	60,000	368,170	27,756,336
	60,000	368,170	26,920,590	60,000	368,170	27,756,336
Issued, subscribed and fully paid up						
20,000 common shares of USD 1/- each fully paid up						
34817 Common Shares of USD 10/- each fully paid up	-	368,170	26,920,590		368,170	27,756,336
	-	368,170	26,920,590		368,170	27,756,336

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 (Formerly TVS Infotech Inc.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	As at 31st March 2021				As at 31st March 2020			
	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	-	-	728,307	53,253,788	-	-	708,003	53,376,368
	-	-	728,307	53,253,788	-	-	708,003	53,376,368
13 OTHER FINANCIAL LIABILITIES								
Non statutory dues	-	-	8,061	589,450	-	-	11,718	883,398
Outstanding liabilities	-	-	-	-	-	-	-	-
	-	-	8,061	589,450	-	-	11,718	883,398
14 OTHER CURRENT LIABILITIES								
Customer advances	-	-	-	-	-	-	-	-
Statutory dues	-	-	25,323	1,851,642	-	-	25,242	1,903,035
Others (Government Grant due with in one year)	-	-	25,323	1,851,642	-	-	25,242	1,903,035
	-	-	25,323	1,851,642	-	-	25,242	1,903,035
15 REVENUE FROM OPERATIONS					Year ended 31st March 2021		Year ended 31st March 2020	
					USD	₹	USD	₹
Sale of service								
Domestic Sales					677,095	50,233,651	1,529,215	108,604,814
Export Sales					-	-	-	-
Revenue from operations (Gross)					677,095	50,233,651	1,529,215	108,604,814
16 OTHER INCOME								
Write-back of loss allowance on finance guarantee					-	-	-	-
Miscellaneous Income					-	-	-	-
					-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	Year ended 31st March 2021		Year ended 31st March 2020	
	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		(408,893)		537,646
Income tax effect				
- Net movement on cash flow hedges				
Income tax effect				
- Net (loss)/gain on FVOCI debt securities				
Income tax effect		(408,893)		537,646
18 EMPLOYEE BENEFITS EXPENSE				
Salaries and wages	172,719	12,814,042	279,200	19,828,773
Staff welfare expenses	9,034	670,252	17,743	1,260,072
	181,754	13,484,294	296,942	21,088,845
19 DEPRECIATION AND AMORTIZATION EXPENSE				
Depreciation of tangible assets	598	44,539	1,316	93,471
Amortization of intangible assets	-	-	-	-
	598	44,539	1,316	93,471
20 OTHER EXPENSES				
Rent	1,050	77,900	3,312	235,247
Rates & taxes [excluding taxes on Income]	2,918	216,486	17,358	1,232,770
Insurance	14,820	1,099,469	7,832	556,255
Repairs and maintenance				
- Building	-	-	-	-
Sub-contract expenses	471,575	34,986,112	1,127,692	80,088,650
Net Foreign exchange loss(net off gain)	-	-	-	-
Travel Expenses	-	-	54,932	3,901,266
Postage & Telecom Expenses	1,467	108,860	3,052	216,741
Consultancy	4,750	352,384	18,948	1,345,706
Bank Charges	1,676	124,315	2,558	181,654
Bad Debts	2,231	165,542	-	-
Miscellaneous expenses	43,003	3,190,427	30,689	2,179,559
	543,490	40,321,495	1,266,374	89,937,848

TVS Next Inc., USA (Formerly TVS Infotech Inc.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (Contd.)

	Year ended 31st March 2021		Year ended 31st March 2020	
	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	(48,747)	(3,616,677)	(35,417)	(2,515,350)
Accounting profit before income tax				
i) At India's statutory income tax rate of 30.90% (31 March 2021: 30.90%)	(15,063)	(1,117,553)	(10,944)	(777,243)
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				
	(15,063)	(1,117,553)	(10,944)	(777,243)

	Year ended 31st March 2021		Year ended 31st March 2020	
	USD	₹	USD	₹
22 EARNINGS PER EQUITY SHARE				
Nominal value of equity shares	1		1	
Profit attributable to equity shareholders (A)	(48,747)	(4,025,570)	(35,417)	(1,977,704)
Weighted average number of equity shares outstanding during the year (B)	-		-	
Basic earnings per equity share (A/B) (in ₹)	(0.13)	(10.93)	(0.10)	(5.37)
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 2021 (Contd.)

Summary of significant accounting policies and other explanatory information

23 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Holding Companies

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

(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 (Formerly TVS Infotech Inc.)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021 (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	\$176,956.80	129,39,081
	(\$160,651.20)	(12,111,494)
Received	\$122,018.24	8,921,974
	(\$184,561.38)	(13,914,082)
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	\$531,980.32	38,898,401
	(\$362,755.94)	(27,348,171)
Due by the Company	\$586,066.59	42,853,189
	(\$420,710.35)	(31,717,353)

(Previous year figures are in brackets)

Vinod Krishnan
Director

Preethi Krishna
Director

Kiran Ghodgaonkar
Director

Place : New York
Date : April 28, 2021