

**TVS Next Inc., USA**

**ANNUAL REPORT**

**for the year ended  
March 31, 2025**



## INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE FINANCIAL STATEMENTS OF TVS NEXT INC., USA FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025

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, 2025, 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 material 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 31<sup>st</sup> March 2025 and to ensure other regulatory compliances.

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

P Viswanathan  
Partner  
Membership No: 224941  
UDIN: 25224941BMHVHA7856

Place: Chennai  
Date: 19.04.2025

# Balance Sheet as at 31st March 2025

Particulars	Note	As at 31st March 2025		As at 31st March 2024	
		USD	₹	USD	₹
ASSETS					
Non-current assets					
(a) Property, plant and equipment	5	739	63,155	2,046	1,70,636
(b) Tax Assets (net)	7A	-	-	36,481	30,42,506
		739	63,155	38,527	32,13,142
Current assets					
(a) Financial Assets					
(i) Trade receivables	9	2,318,611	19,81,48,498	2,121,280	17,69,14,738
(ii) Cash and cash equivalents	10	360,973	3,08,48,715	47,886	39,93,682
(iii) Others	6	-	-	5,750	4,79,550
(b) Other current assets	8	21,551	18,41,740	21,658	18,06,242
		2,701,135	23,08,38,953	2,196,574	18,31,94,212
Total assets		2,701,874	23,09,02,108	2,235,101	18,64,07,354
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	11	368,170	3,14,63,808	368,170	3,07,05,378
(b) Other equity (*)		365,571	3,12,41,592	323,907	2,70,13,782
Total equity		733,741	6,27,05,400	692,077	5,77,19,160
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	1,896,238	16,20,52,528	1,388,017	11,57,60,589
(ii) Other financial liabilities	13	39,106	33,41,993	13,818	11,52,422
(b) Other current liabilities	14	31,614	27,01,771	103,203	86,07,132
(c) Current Tax Liabilities (Net)	7B	1,175	1,00,416	37,986	31,68,051
Total current liabilities		1,968,133	16,81,96,708	1,543,024	12,86,88,194
Total equity and liabilities		2,701,874	23,09,02,108	2,235,101	18,64,07,354

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.

# TVS Next Inc., USA

## Statement of Profit and Loss for the year ended 31st March 2025

	Note	Year ended 31st March 2025		Year ended 31st March 2024	
		USD	₹	USD	₹
I Revenue from operations	15	7,237,951	61,22,58,258	7,481,170	61,95,15,648
II Other income	16	-	-	6,413	5,31,050
III Total Income (I + II)		7,237,951	61,22,58,258	7,487,583	62,00,46,698
IV Expenses					
Employee benefits expense	18	793,429	6,71,16,111	569,360	4,71,48,717
Depreciation and amortization expense	19	574	48,555	1,500	1,24,199
Other expenses	20	6,332,610	53,56,75,566	6,781,058	56,15,39,380
Total expenses		7,126,613	60,28,40,232	7,351,918	60,88,12,296
V Profit before exceptional items and tax (III - IV)		111,338	94,18,026	135,665	1,12,34,402
VI Exceptional item		-	-	-	-
VII Profit before tax (V-VI)		111,338	94,18,026	135,665	1,12,34,402
VIII Tax expense	22				
a) Current tax		31,175	26,37,093	37,986	31,45,639
b) Tax relating to earlier years		38,499	32,56,630	-	-
c) Deferred tax		-	-	-	-
Total Tax expense		69,674	58,93,723	37,986	31,45,639
IX Profit for the Year (VII - VIII)		41,664	35,24,303	97,679	80,88,763
X 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		-	(21,407)	-	(2,10,786)
(a) Exchange differences on translation of foreign operations		-	-	-	-
Income tax relating to items that will be reclassified to profit or loss		-	-	-	-
		-	(21,407)	-	(2,10,786)
XI Total comprehensive income for the year (IX + X)		41,664	35,02,896	97,679	78,77,977
(Comprising Profit and Other Comprehensive Income for the year)					
XII Earnings per equity share (EPS)	21				
Basic (in ₹)		0.11	9.57	0.27	21.97
Diluted (in ₹)		0.11	9.57	0.27	21.97
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

# Statements of Changes in Equity for the year ended 31st March 2025

## A. Equity Share Capital

Particulars	Notes	Amount	
		USD	₹
<b>Balance at 1st April 2024</b>	11	<b>368,170</b>	<b>3,07,05,378</b>
Foreign currency translation difference on opening balance		-	7,58,430
Changes in equity share capital during the year		-	-
<b>Balance at 31st March 2025</b>		<b>368,170</b>	<b>3,14,63,808</b>
<b>Balance at 31st March 2023</b>	11	<b>368,170</b>	<b>3,02,52,529</b>
Foreign currency translation difference on opening balance		-	4,52,849
Changes in equity share capital during the year		-	-
<b>Balance at 31st March 2024</b>		<b>368,170</b>	<b>3,07,05,378</b>

## B. Other Equity

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total	
		Retained Earnings		Foreign currency translation reserve			
		USD	₹	USD	₹	USD	₹
<b>Balances at 1st April 2024</b>		<b>323,907</b>	<b>2,69,56,178</b>	<b>-</b>	<b>57,604</b>	<b>323,907</b>	<b>2,70,13,782</b>
Foreign currency translation difference on opening balance		-	7,24,914	-	-	-	7,24,914
Profit for the year		41,664	35,24,303	-	-	41,664	35,24,303
Other comprehensive income	17	-	-	-	(21,407)	-	(21,407)
<b>Balances at 31st March 2025</b>		<b>365,571</b>	<b>3,12,05,395</b>	<b>-</b>	<b>36,197</b>	<b>365,571</b>	<b>3,12,41,592</b>

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total	
		Retained Earnings		Foreign currency translation reserve			
		USD	₹	USD	₹	USD	₹
<b>Balances at 1st April 2023</b>		<b>226,228</b>	<b>1,83,20,757</b>	<b>-</b>	<b>2,68,390</b>	<b>226,228</b>	<b>1,85,89,147</b>
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)
<b>Balances at 31st March 2024</b>		<b>323,907</b>	<b>2,69,56,178</b>	<b>-</b>	<b>57,604</b>	<b>323,907</b>	<b>2,70,13,782</b>

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

# TVS Next Inc., USA

## Cash Flow Statement for the year ended 31st March 2025

	Year ended 31st March 2025		Year ended 31st March 2024	
	USD	₹	USD	₹
<b>A. Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>111,338</b>	<b>94,18,026</b>	<b>135,665</b>	<b>1,12,34,402</b>
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>				
Depreciation and amortization	574	48,555	1,500	1,24,199
Provision for bad and doubtful debts	26,160	22,12,874	-	-
(Gain) / Loss on sale/write off of property and equipment	733	62,004	-	-
<b>Operating profit before working capital changes - a</b>	<b>138,805</b>	<b>1,17,41,459</b>	<b>137,165</b>	<b>1,13,58,601</b>
<b>Adjustments for:</b>				
(Increase)/Decrease in trade receivables	(223,491)	(1,89,05,104)	(673,063)	(5,57,36,347)
(Increase) /Decrease in current financial assets	5,750	4,86,393	9,250	7,65,993
(Increase)/Decrease in other current assets	107	9,051	40,575	33,60,016
Increase in trade payables	508,221	4,29,90,414	384,785	3,18,64,046
(Decrease)/ Increase in financial & other liabilities	(46,301)	(39,16,602)	90,857	75,23,868
<b>Cash from/ (used) in operating activities - b</b>	<b>244,286</b>	<b>2,06,64,152</b>	<b>(147,596)</b>	<b>(1,22,22,424)</b>
Direct taxes paid, net - c	(70,004)	(59,21,638)	(53,164)	(44,02,511)
<b>Net cash from/ (used) in operating activities (a+b+c)</b>	<b>313,087</b>	<b>2,64,83,973</b>	<b>(63,595)</b>	<b>(52,66,334)</b>
<b>B. Cash flow from investing activities</b>				
Purchase of assets (including capital work-in-progress and capital advances)	-	-	(1,812)	(1,49,834)
<b>Net cash from / (used) in investing activities</b>	<b>-</b>	<b>-</b>	<b>(1,812)</b>	<b>(1,49,834)</b>
<b>C. Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>D. Net cash flows during the year (A+B+C)</b>	<b>313,087</b>	<b>2,64,83,973</b>	<b>(65,407)</b>	<b>(54,16,168)</b>
E. Foreign Currency Translation Reserve Impact on cash flows	-	3,71,060	-	1,00,583
F. Cash and cash equivalents at the beginning	47,886	39,93,682	113,293	93,09,267
<b>G. Cash and cash equivalents at the end (D+E+F)</b>	<b>360,973</b>	<b>3,08,48,715</b>	<b>47,886</b>	<b>39,93,682</b>
<b>Cash and cash equivalents comprise of:</b>				
Cash on hand	-	-	-	-
Balances with banks in current accounts	360,973	3,08,48,715	47,886	39,93,682
<b>Cash and cash equivalents as per note 10</b>	<b>360,973</b>	<b>3,08,48,715</b>	<b>47,886</b>	<b>39,93,682</b>

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



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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025

### 1. Corporate information

TVS Next 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).

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

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

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)**

- b. 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

- c. The residual value for all the above assets are retained at 5% of the cost.
- d. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.
- e. 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. A trade receivable without a significant financing component is initially measured at the transaction price.

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 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.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

### 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.

### 3.2.3 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 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.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

### 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

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.

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

#### 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.

### 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.

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)****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.

**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.

**10. Segment reporting**

The company is solely engaged in the provision of IT services and therefore has 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 31<sup>st</sup> March 2025 has been translated from US Dollars to Indian Rupees by applying the year end interbank exchange rate of 1 USD = Rs. 85.46 (31.03.2024 – Rs.83.40). The incomes and expenses for the year ended 31<sup>st</sup> March 2025 has been translated from US Dollars to Indian Rupees by applying Average interbank exchange rate 1 USD = Rs. 84.59 (31.03.2024– Rs. 82.81). 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 2025 (Contd.)**
**5 Property, plant and equipment**

Particulars	Plant and Equipment		Office Equipments		Total	
	USD	₹	USD	₹	USD	₹
<b>Gross block</b>						
<b>As at 01st April 2023</b>	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
<b>As at 31st March 2024</b>	<b>7,187</b>	<b>5,99,361</b>	<b>2,499</b>	<b>2,08,390</b>	<b>9,686</b>	<b>8,07,751</b>
Additions	-	-	-	-	-	-
Disposal / discards	(5,375)	(4,48,275)	(2,499)	(2,08,417)	(7,874)	(6,56,692)
Restatement of opening balance	-	3,814	-	27	-	3,841
<b>As at 31st March 2025</b>	<b>1,812</b>	<b>1,54,900</b>	<b>-</b>	<b>-</b>	<b>1,812</b>	<b>1,54,900</b>
<b>Accumulated depreciation / amortisation</b>						
<b>As at 01st April 2023</b>	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
Deduction on sale or discards	-	-	-	-	-	-
Restatement of opening balance	-	5,034	-	2,519	-	7,553
Restatement of Current year dep.	-	752	-	107	-	859
<b>As at 31st March 2024</b>	<b>5,402</b>	<b>4,50,519</b>	<b>2,238</b>	<b>1,86,596</b>	<b>7,640</b>	<b>6,37,115</b>
For the year	574	48,555	-	-	574	48,555
Impairment for the year	-	-	-	-	-	-
Deduction on sale / discards	(4,903)	(4,08,910)	(2,238)	(1,86,596)	(7,141)	(5,95,506)
Restatement of opening balance	-	1,082	-	-	-	1,082
Restatement of Current year dep.	-	499	-	-	-	499
<b>As at 31st March 2025</b>	<b>1,073</b>	<b>91,745</b>	<b>-</b>	<b>-</b>	<b>1,073</b>	<b>91,745</b>
<b>Net block</b>						
As at 31st March 2024	1,785	1,48,842	261	21,794	2,046	1,70,636
<b>As at 31st March 2025</b>	<b>739</b>	<b>63,155</b>	<b>-</b>	<b>-</b>	<b>739</b>	<b>63,155</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

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

Particulars	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
(a) Deposit with Free Zone Establishment (FZE), UAE (Net of Provisions - USD 10,000 - Last Year - USD - 5,000)	-	-	-	-	-	-	5,000	4,17,000
(b) Security Deposit	-	-	-	-	-	-	750	62,550
	-	-	-	-	-	-	5,750	4,79,550

Particulars	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
7A Tax Assets (net)								
(a) Federal & State Tax Paid	-	-	-	-	36,481	30,42,506	-	-
	-	-	-	-	36,481	30,42,506	-	-

Particulars	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
7B Tax Liabilities (net)								
(a) Provision for federal tax	-	-	1,175	1,00,416	-	-	37,986	31,68,051
	-	-	1,175	1,00,416	-	-	37,986	31,68,051

Particulars	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
8 OTHER ASSETS								
(Unsecured, considered good)								
(a) Prepaid expenses	-	-	21,301	18,20,375	-	-	21,658	18,06,242
(b) Prepaid expenses	-	-	250	21,365	-	-	-	-
	-	-	21,551	18,41,740	-	-	21,658	18,06,242

Particulars	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
9 TRADE RECEIVABLES								
(a) Considered good - Secured	-	-	-	-	-	-	-	-
(b) Considered good - Unsecured	-	-	2,344,771	20,03,84,132	-	-	2,121,280	17,69,14,738
(c) Receivables which have significant increase in Credit Risk	-	-	-	-	-	-	-	-
(d) Receivables - Credit impaired	-	-	-	-	-	-	-	-
	-	-	2,344,771	20,03,84,132	-	-	2,121,280	17,69,14,738
Less: Loss allowance for bad and doubtful debts	-	-	(26,160)	(22,35,634)	-	-	-	-
Total	-	-	2,318,611	19,81,48,498	-	-	2,121,280	17,69,14,738
(e) Of the above, trade receivables from related parties	-	-	6,413	5,48,044	-	-	6,413	5,34,833

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
<b>9 TRADE RECEIVABLES (Contd.)</b>								
(f) Trade Receivables ageing schedule:								
(i) Undisputed Trade receivables – considered good - Outstanding for following periods from due date of payment								
Not Due	-	-	1,256,683	10,73,96,129	-	-	1,595,999	13,31,06,277
Less than 6 Months	-	-	593,472	5,07,18,119	-	-	67,756	56,50,876
6 Months to 1 Year	-	-	16,896	14,43,932	-	-	-	-
1 Year to 2 Years	-	-	-	-	-	-	-	-
(ii) Disputed Trade receivables	-	-	-	-	-	-	-	-
(iii) Unbilled Receivables			451,560	3,85,90,318			457,525	3,81,57,585
<b>Total A</b>	-	-	2,318,611	19,81,48,498	-	-	2,121,280	17,69,14,738
(iv) Undisputed Trade receivables – Doubtful								
6 Months to 1 Year	-	-	8,400	7,17,864	-	-	-	-
1 Year to 2 Years	-	-	17,760	15,17,770	-	-	-	-
Less : Provision for bad and doubtful debts	-	-	(26,160)	(22,35,634)	-	-	-	-
<b>Total B</b>	-	-	-	-	-	-	-	-
<b>Total A+B</b>	-	-	2,318,611	19,81,48,498	-	-	2,121,280	17,69,14,738

	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
<b>10 CASH AND CASH EQUIVALENTS</b>								
<b>a) Cash and bank balances</b>								
Balances with banks in current accounts	-	-	360,973	3,08,48,715	-	-	47,886	39,93,682
	-	-	360,973	3,08,48,715	-	-	47,886	39,93,682

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	As at 31st March 2025			As at 31st March 2024		
	Number	USD	₹	Number	USD	₹
<b>11 SHARE CAPITAL</b>						
<b>Authorised</b>						
60,000 Common Shares	60,000			60,000		
<b>Issued, subscribed and fully paid up</b>						
20,000 common shares of USD 1/- each fully paid up	20,000	20,000	3,14,63,808	20,000	20,000	3,07,05,378
34,817 Common Shares of USD 10/- each fully paid up	34,817	348,170		34,817	348,170	
	54,817	368,170	3,14,63,808	54,817	368,170	3,07,05,378

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%

c) Rights, preferences, restrictions

**Equity shares**

The Company has two class of Common 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 2025:**

- (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 2025	As at 31st March 2024
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

Promoter name	As at 31st March 2025		
	No. of shares held	% of total shares	% of change during the year
TVS Next Limited, Chennai	54,817	100%	-
<b>Shares held by promoter at the end of the previous year</b>			
Promoter name	As at 31st March 2024		
	No. of shares held	% of total shares	% of change during the year
TVS Next Limited, Chennai	54,817	100%	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

### 11 Share Capital - (Contd.)

#### 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.

	As at 31st March 2025				As at 31st March 2024			
	Non-Current		Current		Non-Current		Current	
	USD	₹	USD	₹	USD	₹	USD	₹
<b>12 TRADE PAYABLES</b>								
(i) Dues to micro and small enterprises	-	-	-	-	-	-	-	-
(ii) Dues of creditors other than micro and small enterprises	-	-	1,896,238	16,20,52,528	-	-	1,388,017	11,57,60,589
	-	-	1,896,238	16,20,52,528	-	-	1,388,017	11,57,60,589
a) Of the above, trade payable to related parties	-	-	1,859,338	15,88,99,025	-	-	1,268,101	10,57,59,592
b) Trade Payable Ageing Schedule								
Outstanding for following periods from due date of payment								
i) MSME - Not Due	-	-	-	-	-	-	-	-
ii) Others - No Due	-	-	747,541	6,38,84,882	-	-	1,079,907	9,00,64,244
- Less than 6 Month	-	-	1,148,697	9,81,67,646	-	-	308,110	2,56,96,345
- 1 to 2 Years	-	-	-	-	-	-	-	-
iii) Disputed Dues - MSME & Others	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1,896,238	16,20,52,528	-	-	1,388,017	11,57,60,589
<b>13 OTHER FINANCIAL LIABILITIES</b>								
Employee benefits payable	-	-	39,106	33,41,993	-	-	13,818	11,52,422
	-	-	39,106	33,41,993	-	-	13,818	11,52,422
<b>14 OTHER CURRENT LIABILITIES</b>								
(a) Statutory dues	-	-	31,614	27,01,771	-	-	19,855	16,55,909
(b) Advance from customers	-	-	-	-	-	-	83,348	69,51,223
	-	-	31,614	27,01,771	-	-	103,203	86,07,132

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	Year ended 31st March 2025		Year ended 31st March 2024	
	USD	₹	USD	₹
<b>15 REVENUE FROM OPERATIONS</b>				
<b>Sale of service</b>				
Domestic Sales	7,237,951	61,22,58,258	7,481,170	61,95,15,648
<b>Revenue from operations (Gross)</b>	<b>7,237,951</b>	<b>61,22,58,258</b>	<b>7,481,170</b>	<b>61,95,15,648</b>
<b>16 OTHER INCOME</b>	-	-	6,413	5,31,050
Miscellaneous Income (Reimbursement of Expenses)	-	-	6,413	5,31,050
<b>17 Other Comprehensive Income</b>				
ii) Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations	-	(21,407)	-	(2,10,786)
Income tax effect	-	-	-	-
	<b>-</b>	<b>(21,407)</b>	<b>-</b>	<b>(2,10,786)</b>
<b>18 EMPLOYEE BENEFITS EXPENSE</b>				
Salaries and wages	731,525	6,18,79,666	524,618	4,34,43,641
Staff welfare expenses	61,904	52,36,445	44,742	37,05,076
	<b>793,429</b>	<b>6,71,16,111</b>	<b>569,360</b>	<b>4,71,48,717</b>
<b>19 DEPRECIATION AND AMORTIZATION EXPENSE</b>				
Depreciation of tangible assets	574	48,555	1,500	1,24,199
	<b>574</b>	<b>48,555</b>	<b>1,500</b>	<b>1,24,199</b>
<b>20 OTHER EXPENSES</b>				
Rent	4,500	3,80,655	7,750	6,41,778
Rates & taxes [excluding taxes on Income]	1,959	1,65,686	80	6,659
Insurance	26,321	22,26,533	20,108	16,65,142
Sub-contract expenses	6,016,486	50,89,34,522	6,283,981	52,03,76,457
Write off of assets	733	62,004	-	-
Travel Expenses	42,289	35,77,190	127,251	1,05,37,682
Postage & Telecom Expenses	1,853	1,56,746	1,466	1,21,437
Consultancy	10,000	8,45,900	10,784	8,93,056
Bank Charges	833	70,463	1,103	91,339
Bad Debts	-	-	3,840	3,17,990
Loss allowance on trade receivables	26,160	22,12,874	-	-
Legal Fees	1,121	94,856	1,636	1,35,498
Marketing Expenses	170,281	1,44,04,092	228,294	1,89,05,039
Miscellaneous expenses (No expenditure is in excess of one percent of revenue from operations or ₹ 10 Lakhs whichever is higher)	30,074	25,44,045	94,765	78,47,303
	<b>6,332,610</b>	<b>53,56,75,566</b>	<b>6,781,058</b>	<b>56,15,39,380</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

	Year ended 31st March 2025		Year ended 31st March 2024	
	USD	₹	USD	₹
<b>21 EARNINGS PER EQUITY SHARE</b>				
Nominal value of equity shares	1/10		1/10	
Profit attributable to equity shareholders (A)	41,664	3,524,303	97,679	80,88,763
Weighted average number of equity shares outstanding during the year (B)	3,68,170	3,68,170	3,68,170	3,68,170
- Number of Shares				
<b>Basic earnings per equity share (A/B) (in \$ / ₹)</b>	<b>0.11</b>	<b>9.57</b>	<b>0.27</b>	<b>21.97</b>

	Year ended 31st March 2025		Year ended 31st March 2024	
	USD	₹	USD	₹
<b>22 Income Tax</b>				
<b>A. Amount recognised in statement of profit and loss:</b>				
Tax expense comprises of:				
<u>Current income tax:</u>				
Current income tax charge	31,175	26,37,093	37,986	31,45,639
Adjustments in respect of current income tax of previous year	38,499	32,56,630	-	-
<u>Deferred tax:</u>				
Relating to recognition and reversal of temporary differences	-	-	-	-
	<b>69,674</b>	<b>58,93,723</b>	<b>37,986</b>	<b>31,45,639</b>
<b>B. Income tax recognised in other comprehensive income</b>	-	-	-	-
<b>C. Reconciliation of effective tax rate</b>				
Net Profit before tax	111,338	94,18,026	135,665	1,12,34,402
i) Tax using the Company's domestic tax rate 28%	31,175	26,37,093	37,986	31,45,639
ii) Adjustments for current tax of previous years	38,499	32,56,630	-	-
<b>Total Tax Expenses</b>	<b>69,674</b>	<b>58,93,723</b>	<b>37,986</b>	<b>31,45,639</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)**

<b>23 A. Disclosure of Ratios</b>		<b>For the year ended / As at 31st March 2025</b>	<b>For the year ended / As at 31st March 2024</b>	<b>Variance</b>
<b>Ratios</b>	<b>Formula</b>			
Current Ratio	Current assets / current liabilities	1.37	1.42	(3.52%)
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	5.85%	15.18%	(9.33%)
Inventory turnover ratio	Sales / Average inventory	Not Applicable	Not Applicable	-
Trade Receivables turnover ratio	Revenue from Operations / Average Trade Receivables	3.26	4.19	(22.20%)
Trade payables turnover ratio	Net credit purchase / Average Trade Payables	Not Applicable	Not Applicable	-
Net capital turnover ratio	Revenue from Operations / working capital	9.77	11.37	(14.07%)
Net profit ratio	Net Profit after Tax / Revenue from Operations	0.58%	1.31%	(0.73%)
Return on Capital employed	Earnings Before Interest and Tax / Capital employed	15.02%	19.46%	(4.44%)
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 - Not Applicable

**24 RELATED PARTY DISCLOSURES**

**Related Parties :**

**(I) Where Control exists:**

**(A) Ultimate Holding Company**

1. Sundram Fasteners Limited., Chennai - No Transactions

**(B) Holding Company**

1. TVS Next Limited, Chennai

**Fellow - Subsidiary Companies - No Transactions**

**i. Domestic**

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

**ii. Foreign**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2025 (Contd.)

### 24 RELATED PARTY DISCLOSURES (Contd.)

#### (II) Other Related Parties

##### (A) Key Management Personnel

Mr Vinod Krishnan - Managing Director of TVS Next Ltd., Chennai - No Transaction

##### (B) Relatives of Key Management Personnel

Ms Arundathi Krishna, Joint Managing Director of Sundram Fasteners Ltd., Chennai - No Transactions

#### (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	-	-
(Reimbursement of Expenses)	(\$6,413)	(5,31,050)
Services - Received	\$5,730,238	48,47,20,832
	(\$5,852,016)	(48,46,05,474)
<b>Outstanding balances</b>		
Due to the Company	\$6,413	5,48,044
	(\$6,413)	(5,34,833)
Due by the Company	\$1,859,338	15,88,99,025
	(\$1,268,101)	(10,57,59,592)

(Previous year figures are in brackets)

### 25 Financial instruments - Fair values and risk management

#### A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

Particulars	Note	As at March 31, 2025				As at March 31, 2024			
		FVTPL	FVOCI	Amortised cost #	Total	FVTPL	FVOCI	Amortised cost #	Total
<b>Financial assets</b>									
Investments	6	-	-	-	-	-	-	5,000.00	5,000.00
Security deposits	6	-	-	-	-	-	-	750.00	750.00
Other receivables		-	-	-	-	-	-	-	-
Deposit with bank having original maturity more than 12 months		-	-	-	-	-	-	-	-
Interest accrued on fixed deposits		-	-	-	-	-	-	-	-
Trade receivables	9	-	-	23,18,611.00	23,18,611.00	-	-	21,21,280.00	21,21,280.00
Cash and cash equivalents	10	-	-	3,60,973.00	3,60,973.00	-	-	47,886.00	47,886.00
<b>Total financial assets</b>		-	-	26,79,584.00	26,79,584.00	-	-	21,74,916.00	21,74,916.00



Particulars	Note	As at March 31, 2025				As at March 31, 2024			
		FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial liabilities									
Lease liabilities		-	-	-	-	-	-	-	-
Borrowings		-	-		-	-	-		-
Trade payables	12	-	-	18,96,238.00	18,96,238.00	-	-	13,88,017.00	13,88,017.00
Payable towards purchase of capital goods		-	-	-	-	-	-	-	-
Interest accrued but not due on borrowings		-	-	-	-	-	-	-	-
Employee benefits payable	13	-	-	39,106.00	39,106.00	-	-	13,818.00	13,818.00
Total financial liabilities		-	-	19,35,344.00	19,35,344.00	-	-	14,01,835.00	14,01,835.00

# For those financial assets and liabilities, which are not carried at its fair value, disclosure of fair value is not made as the carrying amounts approximates the fair values.

## B Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Market risk
- Liquidity risk
- Credit risk

### Financial risk management framework

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company's senior management advises on financial risks and the approximate financial risk governance framework for the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's principal financial liabilities comprise borrowing, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, unbilled revenue, investments, cash and cash equivalents and bank balances other than cash and cash equivalents that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not have any equity investments other than in its subsidiary and hence does not possess any equity risks. The Company has assessed the recoverability of its investment in subsidiary and did not note any impairment risks.

The sources of risks which the company is exposed to and their management is given below:

#### (i) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

**25 Financial instruments - Fair values and risk management (continued)**

**(a) Interest rate risk exposure**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. As at March 31, 2025 and March 31, 2024, no borrowings of the Company is at a fixed rate of interest.

Particulars	As at	As at
	March 31, 2025	March 31, 2024
Floating rate borrowings	-	-
Fixed rate borrowings	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Interest rate sensitivity**

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2025 and March 31, 2024. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

		As at	As at
		March 31, 2025	March 31, 2024
Increase	+1%	-	-
Decrease	-1%	-	-

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

Currency risk arises on financial instruments that are denominated in a foreign currency, i.e., in a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

During the current Financial Year (including previous Financial Year) the Company is dealing only in its functional Currency which is USD and there are no other Foreign currency denominated financial assets and liabilities which expose the Company to currency risk.

**(i) Market risk - Foreign currency risk**

**Foreign currency sensitivity**

The Company is dealing only in its functional Currency which is USD and there are no other Foreign currency denominated financial assets and liabilities which expose the Company to currency risk. Hence the need for any other foreign currency sensitivity does not arise.

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and availability of funding through adequate amount of credit facilities to meet obligations when due. The Company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors liquidity position through rolling forecasts based on expected cash flows.

## 25 Financial instruments - Fair values and risk management (continued)

### Exposure to liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	Note	As at March 31, 2025			As at March 31, 2024		
		Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
			Less than 180 days	More than 180 days		Less than 180 days	More than 180 days
Borrowings*							-
Lease liabilities							
Trade payables	12	18,96,238.00	18,96,238.00	-	13,88,017.00	13,88,017.00	-
Payable towards purchase of capital goods		-	-	-	-	-	-
Interest accrued but not due on borrowings		-	-	-	-	-	-
Employee benefits payable	13	39,106.00	39,106.00	-	13,818.00	13,818.00	-
<b>Total financial liabilities</b>		<b>19,35,344.00</b>	<b>19,35,344.00</b>	<b>-</b>	<b>14,01,835.00</b>	<b>14,01,835.00</b>	<b>-</b>

\* excluding contractual interest payments of short-term borrowings

### (iii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, certain loans and advances and other financial assets.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets. Outstanding customer receivables are regularly monitored and reviewed by the management periodically.

The carrying amount of financial assets (other than investment in subsidiaries) represents the maximum credit exposure.

Particulars	Note	As at March 31, 2025	As at March 31, 2024
Trade receivables including unbilled revenue	-		
- India			
- United States of America		23,18,611.00	21,21,280.00
- Other regions		-	-
Cash and cash equivalents	-	3,60,973.00	47,886.00
Security deposits	(c)	-	750.00
<b>Total</b>		<b>26,79,584.00</b>	<b>21,69,916.00</b>

### (a) Trade receivables including unbilled revenue

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. With respect to other financial assets, the Company does not expect any credit risk against such assets except as already assessed. The Company is monitoring the economic environment in the country and is taking actions to limit its exposure to customers with customers experiencing particular economic volatility.

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality except for certain provision arrived based on expected credit loss model which has been recognised as a loss allowance in books.

### **25 Financial instruments - Fair values and risk management (continued)**

#### **(b) Cash and cash equivalents and Bank balances other than cash and cash equivalents including deposits having original maturity more than 12 months**

The Company holds cash and cash equivalents, Bank balances are with credit worthy banks and financial institutions as at the reporting dates. The Company does not expect any losses from non-performance by these counter-parties.

##### **Rental advances**

The balance is primarily constituted by advances given for taking offices premises on rental and the company does not expect any loss from non-performance by these counter-parties.

#### **(c) Others**

Other financial assets comprising of interest receivable, security deposits and other receivables primarily consists of deposits given for occupying the premises. The Company does not expect any loss from non-performance by these counter-parties.

### **C Offsetting financial assets and financial liabilities**

There are no financial instruments that would offset or are subject to enforceable master netting arrangements as at March 31, 2025 and March 31, 2024.